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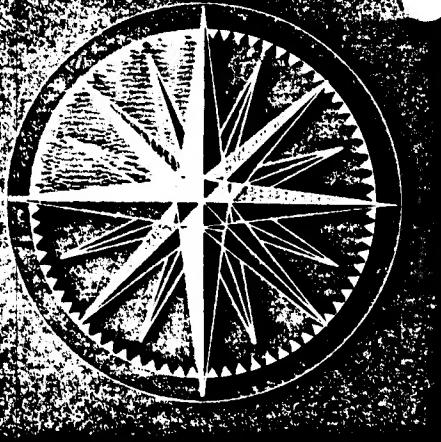
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SECRET



16 April 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

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Hanoi, Peiping, and Moscow all responded negatively to President Johnson's 7 April speech, although Soviet officials acknowledged privately that the speech was "at least an advance." While China has rebuffed all overtures for negotiations, the North Vietnamese premier in a speech last week seemed to be suggesting some flexibility on Hanoi's part. The DRV meanwhile is exhorting its people to mobilize themselves to meet the "new situation and tasks." In South Vietnam, evidence indicating the presence of elements of a regular North Vietnamese division has mounted. Viet Cong activity picked up slightly last week, particularly in the northern provinces.

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The death last week of politburo member Ko Ching-shih reduced party central committee membership to 181, down from 194 in 1958. No members have been added, some 50 of the survivors are ill or out of favor, and the rest are increasingly susceptible to diseases of age.

COMMUNIST WORLD'S ECONOMIC RELATIONS WITH AFRICA

Since 1958, when the Communist countries initiated their economic aid program in Africa, they have made available more than \$1.2 billion in credits and grants for economic development. The USSR and China have also provided military assistance. Although the Communists now account for only 5 percent of Africa's total trade, their share is growing.

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He has warned the army that Indonesia's enemies are the neocolonialists rather than the Communists, and has further discouraged domestic anti-Communist activities.

THE SITUATION IN LAOS 12

The Communists are making a major effort to keep open supply arteries, while a new series of low-level political talks is scheduled to start next week.

PAKISTAN'S FOREIGN POLICY UNDER AYUB AND BHUTTO

Pakistan's fears of India continue to dominate its foreign policy. In an effort to gain support against New Delhi, Pakistani President Ayub and Foreign Minister Bhutto have set an increasingly independent course in international affairs. Ayub probably views his official visit to Washington on 26 and 27 April as an opportunity to balance his cultivation of Communists and neutralists.

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SENANAYAKE GOVERNMENT TAKES OVER IN CEYLON 13

The coalition apparently faces no early threat, but its composition reflects conflicting communal and economic interests and will be a source of continuing difficulty.

KENYA'S PRESIDENT HEADING FOR SHOWDOWN WITH PRO-COMMUNISTS 14

The breach between Kenyatta and pro-Communist Vice President Oginga Odinga has been widening for several months, and the President now seems convinced he must act.

NOTES ON CONGO AND SUDAN 15

The Congolese Government's military position continues to improve throughout the country, and elections are proceeding without violence. Sudan's transitional regime has set 21 April as the date for elections to install a permanent government.

EUROPE**US INVESTMENTS IN EUROPE**

The Gaullist hue and cry about a so-called invasion of Western Europe by American capital seems to be leading Europeans generally to look for some way of dealing with the issue through united action. Accordingly, Common Market institutions will probably be called on to play a leading role in finding a solution. In most of Western Europe, sentiment in favor of US investment still more than outweighs opposing attitudes and, except in France, stringent regulations against it are not in prospect.

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The French have withdrawn a proposal that the European Launcher Development Organization scrap its original program in favor of a more advanced effort, but they may still deal ELDO a mortal blow by deciding henceforth to concentrate on developing their own launcher.

REORGANIZATION OF SPAIN'S STUDENT ORGANIZATION 16

A 7 April decree reorganizing the Spanish University Syndicate has brought a lull in student agitation by removing the immediate irritant stemming from regime appointment of syndicate officials, but is qualified enough to preserve the status quo effectively.

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A quarrel between Premier Burnham and Finance Minister D'Aguiar, who head the two parties in the government coalition, threatened to bring down the government until a compromise was reached. The long-run outlook is for more such confrontations.

ECONOMIC IMPLICATIONS OF FORTHCOMING OAS CONFERENCE 18

Included on the agenda is an examination of the operations and the future of inter-American economic and social organisms, including the Alliance for Progress. Set for Rio de Janerio on 20 May, the conference will be the first meeting since 1954 of the Organization of American States' highest organ, the general conference.

VENEZUELAN AUTHORITIES ARREST SUBVERSIVES OF RIGHT AND LEFT 19

The Venezuelan Government is exploiting, both domestically and abroad, the interception of clandestine funds destined for the Communist Party as well as the arrest of a newspaper publisher accused of plotting, with accomplices of both right and left, to overthrow President Leoni.

EXTREMIST EFFORTS AGAINST PANAMANIAN GOVERNMENT 20

The escalation of a minor strike by provincial sugar workers into demonstrations and a general strike in the capital seems to have been the work of a combination of extremists subject to influences from a number of sources, including Cuba and Communist China. The incident seems also to be furthering the ambitions of lawyer-politician Carlos Zuniga to organize a leftist-labor coalition.

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VIETNAM

Hanoi, Peiping, and Moscow all responded negatively to President Johnson's 7 April speech. Moscow's characterization of the speech as a "maneuver" was the mildest propaganda reaction; Hanoi and Peiping called it "hypocrisy" and a "swindle." In private conversations Soviet officials took a slightly less negative line, acknowledging that the speech was "at least an advance."

Within South Vietnam, evidence indicating the presence of elements of a regular North Vietnamese division has mounted. Viet Cong activity picked up slightly last week, particularly in the northernmost portion of the country. In the North, the Hanoi regime exhorted its people to mobilize themselves to meet the "new situation and tasks" which have arisen.

US Air Strikes

Both US and South Vietnamese aircraft continued their bombing and armed reconnaissance over North Vietnam during the past week. Strikes were conducted on five days. Five bridges were virtually destroyed, and several radar sites which had been struck on 31 March were further damaged. Results of the armed route reconnaissance were generally limited, possibly as a result of Hanoi's directive that all vehicles travel at night or with an aircraft lookout if daytime travel is essential.

The week was also marked by the first engagement of US aircraft by Chinese Communist fighters.

Navy F4B Phantom jet fighters, engaged in an offshore high-altitude patrol prior to the strike on 9 April, were attacked by four Chinese Communist MIG fighters some 35 miles southwest of Hainan Island. One MIG was shot down, probably by an air-to-air missile. One Navy fighter failed to return.

DRV Political Developments

Hanoi continued its efforts to mobilize its political, economic, and military apparatus to meet the "new situation and tasks" which regime leaders say have arisen as a result of the continuation of US military pressure. This was the main trend evident at the semianual session of the National Assembly held from 8 to 10 April.

Deputies at the session were ordered to spread the word that the government is determined to rally the populace to the defense of the DRV, to the exertion of greater economic effort, and to the "active support" of the insurgency in South Vietnam. The assembly delegated to its standing committee--the normal hub of its operations--a number of "new powers necessary to make state operations suit" the new situation. This move was probably intended to further party control over government operations. The assembly also put the stamp of legality on recent regime moves to strengthen the armed forces, voting to amend military laws to increase the "fighting power" of the military.

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Continued regime concern with sustaining popular morale under the strain of the air strikes was evident at the assembly session. Considerable stress was put on the unity of the government with the party and its policies. Repeated attention was given to phrases manifesting determination to continue to fight US "imperialism" to the end and to support the war effort in the South despite US military pressure on the DRV. Ho Chi Minh claimed in his speech that although the session met in a tense atmosphere, it was filled with "high spirits and the utmost confidence."

Aside from the trend in Hanoi propaganda, evidence of the effect of the air strikes during March and April on public morale is still sparse.

[redacted] in Hanoi report a "fairly relaxed atmosphere" in early April, although they see a suggestion of greater "anxiety" in official statements and press comment. A fundamental conviction of a US collapse and a favorable outcome of the struggle is still reflected on all sides, according to this report. Another report on morale was received [redacted]

[redacted] last month. The gloomy and subdued tone of his contacts among [redacted] officials strengthened his earlier impression that the US air strikes were "seriously" affecting morale.

[redacted] however, suggest that outside the immediate areas of the strikes the people have been little affected. [redacted] also indicate that regime propa-

ganda has been effective in convincing the populace that heavy losses have been dealt to the attacking aircraft.

Hanoi's propaganda on the President's 7 April speech labelled it a "deception," and said that the President's proposal for unconditional talks was "hypocrisy." Although, DRV leaders have made it clear that military attacks on the DRV must cease before negotiations can be even considered, they have not directly addressed themselves to the subject of starting talks, and still continue to speak mainly in terms of an over-all settlement of the "Vietnam question."

In this vein, party chief Ho Chi Minh last week put the routine Hanoi demands for US withdrawal from South Vietnam and the settlement of the Vietnam question by the Vietnamese people themselves in the context of preconditions which must be "carried out" before any international conference can be called. Premier Pham Van Dong spelled out essentially the same conditions in a speech to the National Assembly. However, he put them in terms of a "basis" which must be "recognized" before a Geneva-type conference could be held. Dong's use of the word "recognized" may have been designed to imply greater flexibility on the part of the DRV. In either case, the basic demands on the US do not appear to have changed. Hanoi seems to be saying that any international talks on Vietnam will be merely for the purpose of putting the stamp of approval on a Communist victory in South Vietnam.

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Chinese Reaction

Peiping is continuing its hard line on Vietnam and has rebuffed all overtures for negotiations. President Johnson's 7 April proposal for unconditional talks was dismissed in the 11 April People's Daily as a "big swindle" and a "hoax" requiring the unconditional surrender of the South Vietnamese "people" to the "US imperialists."

China has not formally replied to the nonaligned nations' appeal but has made clear its lack of enthusiasm.

In the meantime Peiping has rebuffed efforts by the British and UN Secretary General Thant to explore the possibility of a negotiated settlement. The Chinese formally rejected London's proposal for a visit by Patrick Gordon-Walker as "inconvenient and unwelcome."

Peiping has charged that the 9 April engagement between US and Chinese planes near Hainan Island was a "deliberate military provocation against China" on the part of the US. Chinese newspapers have subsequently published photographs portraying what is claimed to be the wreckage of a US air-to-air guided missile and an auxiliary fuel tank allegedly dropped by US aircraft while overflying Hainan Island on 9 April. Except for the almost pro forma warning that the US must bear responsibility for the "serious conse-

quences" of this action, however, the Chinese have made no threats of retaliation.

Soviet Reaction

Although there has been no official Soviet reaction to either the nonaligned nations' appeal or President Johnson's 7 April address, Soviet propaganda has stressed that there has been no change in US policy and that the US is actually advancing preconditions for negotiations. Pravda characterized the President's speech as a "maneuver" to placate public opinion and US allies and reiterated that negotiations are impossible as long as the US air strikes continue. The Soviet press also ridiculed the proposal for an economic development plan in Southeast Asia.

In private conversations, however, Soviet Foreign Ministry officials acknowledged that the President's speech "was at least an advance." In a talk with Ambassador Kohler on 8 April, Deputy Premier Polyansky denied that the USSR had rejected negotiations out of hand and asserted that Moscow favors peaceful negotiation of all international disputes, including Vietnam. The Soviet leaders' desire to hold the door open to some form of eventual talks without breaking openly with Hanoi was also reflected in their proposal on 8 April for an immediate international conference on Cambodia. Hanoi and Peiping had already publicly

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endorsed the Cambodian appeal
of 15 March.

[redacted] a conference on Cambodia would provide an opportunity to discuss Vietnam and possibly Laos.

Meanwhile, the Soviets continue to assert that military equipment now is on the way to North Vietnam. They told Pakistani President Ayub last week that transit difficulties with China have been resolved and implied that Soviet military personnel are being sent to North Vietnam. A Soviet diplomat [redacted] told a US Embassy official on 9 April that if the US continues its present actions in Vietnam, Soviet "so-called volunteers" would almost certainly be dispatched to North Vietnam. He claimed that the Chinese had acknowledged the need for Soviet assistance to Hanoi and were no longer impeding shipments of arms and rockets. The Soviet diplomat warned several times that although the USSR understands the problems facing the US, Moscow can "no longer stand by and watch your aggression against a socialist state."

Military Developments In the South

Evidence that elements of a regular North Vietnamese division are in northern South Vietnam is increasing. A report

[redacted]
[redacted] tends to confirm information

[redacted] that the 101st Regiment of the 325th Division infiltrated into Kontum Province in February of this year.

[redacted] the regiment is supposed to take over the provincial capital during the rainy season.

Viet Cong activity picked up slightly last week, even though combat results generally favored the government forces. Communists appear to be intensifying their operations in the northernmost part of South Vietnam, while possibly positioning to step up activity in the central highland and southern provinces.

During the past week, the Viet Cong launched coordinated mortar attacks on three targets, including an American advisory compound, near the capital of Quang Tri Province, which borders North Vietnam. At the southern border of Quang Tri Province, a government armored column sustained heavy casualties when it was attacked by an estimated two Viet Cong battalions on 13 April.

Recent captured documents indicate that sizable Viet Cong units are concentrating in a guerrilla "war zone" about 50 miles north of Saigon, where they would be in a position to

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launch actions against Bien Hoa, Tan Son Nhut, or Ben Cat air-fields. A new Viet Cong regiment, forming in Tay Ninh Province to the west, is believed by US military authorities to be approaching operational readiness.

New fighting, largely at government initiative, was reported during the week around Ban Me Thuot, the capital of Darlac Province in the central highlands, while along the central coast, South Vietnamese marines in Binh Dinh Province continued to fight off probes by a probable Viet Cong battalion in the area.

There have been some indications that several recent government military successes, coupled with intensified air strikes, may have disrupted some Viet Cong military timetables. The Viet Cong nevertheless retain the capability of accelerating the pace of their attacks well beyond the reduced levels of recent weeks.

Political Developments
In South Vietnam

Last week's naval mutiny in Saigon, which led to the replace-

ment pending military inquiry of naval commander Admiral Cang, has raised military concern over a possible precedent for junior officers to take matters into their own hands. In addition, the suspension of Cang and Saigon area commander General Dong.

[redacted] -has stirred Catholic fears of a Buddhist-inspired military purge. Cang is Catholic, and Dong had reacted firmly to Buddhist street agitation against the former Huong government.

Premier Quat, who regards General Dong as a troublemaker, now hopes to carry out a major command reorganization to bring the military under tighter civilian control. His plans, which would leave only one Catholic officer in a top command post, risk a serious Catholic reaction if not eventual opposition of the military in general. Although it is possible that the views of the Buddhist hierarchy have influenced Quat's thinking, the Buddhist clergy continues to refrain from open political activity except for the further promotion of anti-Communist themes among their followers.

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The Communist World

THE BERLIN SITUATION

Since last week's harassment of traffic to Berlin, the East Germans have avoided any new threat to Allied access.

For the moment, the regime seems intent only on impressing on West Berliners that their freedom and commerce with the outside world depend to a large extent on Communist good will and that the GDR will not tolerate so tangible a demonstration of West German interest in the city as the Bundestag meeting of 7 April. At a press conference in East Berlin on 12 April, officials of the regime-dominated National Front warned that there would be an immediate response if the West German Bundestag were now to meet in West Berlin or if the city were the setting for any political activity of a "provocative" nature.

Although regime spokesmen were careful at first not to link last week's Soviet-German military exercises or the harassment of access to the Bundestag meeting, since 9 April they have boasted that events "have made it clear who makes the decisions on our autobahns and roads." In this vein, the official East German news agency rejected out of hand Mayor Brandt's proposal for international control of the access routes, describing it as "out-

dated and unrealistic" and "an attempt to interfere in the GDR's internal affairs."

In an editorial published on the first day of the Easter-tide pass visits, Neues Deutschland disclosed that West Berliners who cross over to see relatives during the current pass agreement will encounter heavy propaganda directed against West Berlin - West German political ties. The party paper echoed earlier warnings by the regime that the Bundestag session will have "serious consequences" for renegotiation of the pass agreement, which it suggested may be postponed from June until after the West German elections in September. This suggests that the East Germans hope to exact from the West Berlin Senat as the price for renegotiating the agreement a pledge not to play host to West German political meetings or permit any expansion of the Federal Republic's presence in West Berlin. Pankow probably judges that its chances of getting such a commitment this fall will be far greater than they would be during an election campaign in which Mayor Brandt and other West Berlin leaders of the Social Democratic Party (SPD) are to play so prominent a role.

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SECRET**The Communist World**

West Berliners and West Germans seem to feel that having the Bundestag meet in West Berlin was worth the inconvenience and harassment and that it reinforced the city's ties with the Federal Republic and underlined the hope for eventual reunification. Bundestag President Gerstenmaier has taken the position that the Communists will resign themselves to such parliamentary sessions if they are held often enough, perhaps twice a year.

There has been some public criticism of the failure of the Erhard government and the Allies to react more vigorously to Communist encroachments on access. The chairman of the Berlin branch of the SPD complained

that the United States should have put a stop to the Communist "antics," and West German Vice Chancellor Mende, leader of the Free Democratic Party, found the Allied response inadequate.

Mayor Brandt, who has expressed satisfaction with reaction of the Allies, has voiced some concern over the psychological effects which the harassment may have on Berlin's economic life. He fears that West German investors will re-examine the advisability of committing funds to the city's expansion in view of the renewed demonstration of the vulnerability of its land routes to the West.

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SECRET**The Communist World****EAST-WEST EUROPEAN ECONOMIC COOPERATION**

Both East and West European countries are seeking ways to expand trade through new cooperative economic arrangements. The most sweeping of these--the recently publicized proposal by the West German Krupp combine to couple its capital and technical and managerial skills with Polish labor and raw materials--will probably be modified in the course of current negotiations. The proposal, however, suggests the growing complexity and range of the many current efforts at cooperation.

Programs already in operation, however, include not only licensing and subcontracting arrangements (see inset) but also joint construction projects. Current proposals add joint management of enterprises to be built in East Europe.

SOME EXAMPLES OF EAST-WEST EUROPEAN ECONOMIC COOPERATION

Poland-Belgium-Sweden: Economic cooperation pacts calling for joint production of equipment for third countries, exchange of technical know-how, joint industrial training, and consultation among industrial experts.

Poland-Rumania-Hungary-West Germany: Proposed West German investment of capital and managerial skill in bloc industrial enterprises.

Programs Already in Operation

Czechoslovakia-UK: Semifinished British textiles finished in Czechoslovakia and re-exported.

Hungary-Finland: Jointly owned agency to market Hungarian electrical goods in Finland.

Yugoslavia-Italy: Production under Italian license of Fiat automobiles in Yugoslavia for sale in Eastern Europe.

Hungary-UK: Jointly produced tractors, using British engines and Hungarian bodies.

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These moves toward increased economic cooperation are taking advantage of the trend toward greater political independence in Eastern Europe. Furthermore, East European countries are dismayed at the lack of progress in intrabloc cooperation, and are thus looking to the West for ways to further their technological advance.

Nearly all the recent innovations stimulate East European hard-currency earnings through new exports. Moreover, the market for goods produced under Western license is enhanced by the established reputations and marketing know-how of the Western firms involved. In addition, production-sharing pacts, under which the Western supplier of a factory takes a portion of its production as repayment on his investment, enable Eastern European countries to acquire technology and advanced equipment without adding substantially to their already considerable medium and long-term indebtedness to the West.

A group of Belgian business men has just visited Poland to discuss new joint efforts. West Europeans looking for new export markets see in Eastern Europe a significantly rising demand for their output of heavy industrial machinery, and many believe that East Europe's limited ability to generate new exports for Western markets can be improved.

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The Communist World

BULGARIA IMPROVING RELATIONS WITH BALKAN NEIGHBORS

Bulgaria last July negotiated a general settlement of its problems with Greece, and since then has been promoting political contacts with its other Balkan neighbors. This campaign to break out of its heretofore isolated position is making some progress. In the long run, these new contacts are more likely to work changes in Bulgaria than in the states with which it is dealing. Continuing contact with the independent Communist states of Rumania and Yugoslavia and the influx of ideas from Greece and Turkey may eventually encourage Sofia to loosen its ties with Moscow.

In late January Yugoslav Foreign Minister Popovic visited Sofia for three days. While not enthusiastic about his visit, he was "satisfied," according to Yugoslav officials in Sofia. The visit was symbolically important and was closely followed by a number of agreements, such as the abolition of visa requirements between the two countries.

In a recent demarche to Turkey, the Bulgarians proposed an early meeting to seek agreement on specified major outstanding problems.

On a lower political level, Sofia's "mayor" visited Athens in mid-January and extended an invitation to the mayor of Athens

to visit Sofia this May. The mayors of the port cities of Varna and Piraeus will exchange visits in the near future.

Bulgarian efforts to promote Balkan rapprochement have been particularly active in the cultural sphere. Sofia is trying to establish a league of Balkan writers. Plans have been made to hold an annual noncompetitive Balkan Film Festival. Artists from other Balkan countries are being invited to the opening of Bulgaria's Jubilee National Art Exhibition. Recently a conference of Balkan, Adriatic, and Cypriot students was held in Sofia.

Proceedings of the Balkan Committees for Peace and Understanding, which are scheduled to meet in Athens in early May, may well provide an indication of the success of the Bulgarian campaign. Past meetings have foundered when Bulgaria and Rumania have called for a Balkan summit conference which Greece and Yugoslavia have insisted must be preceded by bilateral resolutions of outstanding problems. This condition appears now to be largely accomplished or on the way to accomplishment except in the case of Albania--whose attendance of past meetings has been blocked by Greece and Yugoslavia.

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The Communist World

THE DWINDLING CHINESE COMMUNIST LEADERSHIP

The dwindling ranks of Communist China's top leadership suffered another loss with the death on 9 April of politburo member Ko Ching-shih. Full and alternate members of the party central committee now number only 181, down from the full strength of 194 reached in 1958 when additions were last made. Of the 181 surviving, 16 are known to be out of favor and 33 others have not made public appearances in six months or more, probably in most cases because of poor health.

The leaders of Communist China are men in their sixties and seventies. They are increasingly susceptible to diseases of age and increasingly dominated by narrow, inflexible views. These characteristics make them more prone to unreasonable behavior, while tending to sap their effectiveness in managing the party and government apparatus.

Suspicious of almost everyone outside their own shrinking circles, Chinese leaders have been insisting on an ever tighter hold over the levers of power.

[redacted]
NCNA has been put under the rigid control of the party central committee, which now

makes all assignments, even down to interpreters. There is reason to believe that a similar situation exists elsewhere in the government, although perhaps to a lesser extent in domestic agencies than in NCNA, whose employees are exposed to foreign influences.

Leadership distrust extends down into the lower ranks of the party. Last winter the central committee ordered a massive campaign to eradicate corruption at this level. A secret party document declared that this was a "shameful and serious problem," brought about by a lack of revolutionary spirit. There have been several reports in recent months that Mao Tsetung has been personally railing against the "ideological bankruptcy" of rank-and-file party members and low-level government officials. Although the regime often speaks of the need to promote younger men, Mao's profound distrust of them has been a bar to any delegation of real power.

Moreover, the prospect for change in the near future is slim. Replacements for Mao and his inner circle of immediate lieutenants would presumably be drawn from the present shrinking central committee, which is exclusively composed of old-guard revolutionaries--men who seem to be just as dogmatic and hostile to the US as the present team.

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Asia-Africa

SUKARNO'S POLICY EDGING CLOSER TO COMMUNIST OBJECTIVES

In two recent speeches to army and government leaders President Sukarno has defined Indonesian policy in a way that comes close to meeting Communist Party objectives. Party chairman Aidit recently commented privately that he viewed Indonesia "in a very favorable revolutionary situation."

At a seminar of top army leaders last week, Sukarno instructed the essentially anti-Communist army to redirect its strategic planning and political orientation. He reminded the officers that Indonesia's enemies are not Communist China and the Soviet Union but the "neocolonialists," including the US.

During the same seminar, army commander Jani stressed the need to integrate the people into the "fighting front." This suggests increasing emphasis on the program recently inaugurated to arm workers and peasants, whom the Communists have already partially organized. In Sumatra, where the program has started, the Communists have it well penetrated.

In a speech on 11 April to the Consultative Assembly, made up of top politicians, Sukarno announced that the "national democratic" stage of the Indo-

nesian revolution was almost complete and that the country had already entered the stage of "Indonesian socialism." In effect he told the non-Communist parties to halt their anti-Communist activities and complained of hypocrites lacking in the spirit of true "Nasakom" --a word Sukarno coined to describe his goal of harmony among nationalist, Moslem, and Communist elements.

Two days later Sukarno announced a purge of the leadership of a pressure group called the "Generation of 45" led by Third Deputy Prime Minister Chairul Saleh, who has been under strong attack by Indonesian Communists. Sukarno accused the organization, among other things, of competing with political parties and of opposing "Nasakom." Sukarno allowed Saleh to remain on the group's executive board, but added to it both Aidit and Jani, and directed it to create "a new policy and ideology."

Communists have abided with Sukarno's ban on all demonstrations until after the 18-26 April celebration of the Bandung Afro-Asian conference. They are reportedly planning a new round of anti-American protests immediately following the conference, however.

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SECRET**Asia-Africa****THE SITUATION IN LAOS**

The Communists are making a major effort to keep open supply arteries in widely separated areas of Laos, while a new series of low-level talks among the three main political factions are slated to get under way next week.

The Communists' military efforts include the rapid clearing of chokepoints near the Mu Gia Pass and farther south on Route 23, the apparent building of bypasses for bombed-out road sections, and the construction of new antiaircraft artillery sites protecting the pass. They seem to be succeeding; a 40-truck convoy was identified moving through the pass on 10 April.

In the northeast, North Vietnam appears to be supplying advanced Communist positions by air. Planes described as IL-14 transports were spotted last week dropping supplies to Communist positions in the hills north of Ban Ban. Hanoi has 14 to 18 of these planes. These flights may constitute a one-time response to a particular tactical situation, or presage more systematic aerial resupply efforts. Laotian harassment of key transportation points, coupled with the impending

rainy season, are likely to make overland transportation increasingly difficult.

On the ground, Communist forces are continuing to exert pressure against government units in the Na Khang area north of Ban Ban, and against pockets of guerrillas to the northwest in Phong Saly and Luang Prabang provinces. In the south, a build-up along Route 9 from Dong Hene to Pha Lane has been reported.

The political talks preparatory to a meeting of the factional leaders are now scheduled to start on 19 April following Pathet Lao chief Souphanouvong's agreement to Vientiane as a site. He had previously insisted on Paris. Chances for any meaningful accord remain dim, however. Premier Souvanna, with conservative backing, probably will continue to insist that North Vietnamese troops withdraw and that the International Control Commission be guaranteed freedom of movement before any cease-fire. Souphanouvong, for his part, is certain to oppose any proposals which would jeopardize Communist control of "liberated areas," especially key infiltration routes leading to South Vietnam.

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Asia-Africa

SENANAYAKE GOVERNMENT TAKES OVER IN CEYLON

Ceylonese Prime Minister Dudley Senanayake has pulled together a widely diversified "national government" which commands 90-95 votes in the 157-seat lower house. He should have no difficulty in winning its first vote of confidence--probably to be taken next week. The divergent attitudes of his present supporters will erode his support eventually, however, unless long-standing antagonisms can be held in check.

Senanayake now depends for much of his parliamentary strength on Ceylon's Tamil-speaking Hindu minority. At the same time, he is trying to cultivate ultranationalists among the Sinhalese Buddhist majority, represented in the cabinet by the leftist minister of industries and fisheries, Philip Gunawardena. Senanayake's program attempts to balance conflicting communal interests by assuring that Tamil religious and employment rights will be respected, while pledging "to restore Buddhism to its rightful place" and instituting four new monthly Buddhist holidays. A critical rise in communal tensions, however, would force delicate decisions between conflicting interests.

The government is also doing a balancing act in dealing with the sagging economy. To stimulate growth, it promises to support private enterprise while maintaining undertakings already nationalized. The business community is concerned, however, over the key position given Gunawardena, one of the island's leading Marxists. His appointment may hold the support of some leftist elements, however, and his strength in the labor movement--particularly among port workers--may prove useful in dealing with labor unrest.

As a further stimulant for the economy, the government hopes to turn to the West for private investment and foreign aid, although British and American assistance will be delayed until compensation is made for oil company properties expropriated three years ago. The new government's foreign policy statements uphold Ceylon's traditional nonalignment, but there is definitely a friendlier attitude toward the West. This was shown by the favorable reaction to President Johnson's speech on Vietnam and by Ceylon's earlier attempt to moderate the nonaligned nations' appeal on the Vietnam crisis.

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Asia-Africa

KENYA'S PRESIDENT HEADING FOR SHOWDOWN WITH PRO-COMMUNISTS

Kenya's President Kenyatta, who tries to remain above factional and tribal disputes within his government, has begun to demonstrate increasing concern about subversive elements and a willingness to take firmer action against them. As a result, he now appears to be heading for a showdown with the pro-Communist followers of Vice President Oginga Odinga.

Kenyatta has been reluctant to act against Oginga, his former ally, for fear of precipitating a tribal struggle, but the breach between the two has been steadily widening for six months. Since late March Kenyatta has been tacitly encouraging the efforts of a coalition of moderate ministers representing various tribes, including Oginga's Luo, to undercut the vice president's power and influence. The resounding defeat on 2 April of two Oginga-backed candidates in a parliamentary election is said to have impressed Kenyatta with the extent of opposition to Oginga.

The February assassination of P. G. Pinto, the pro-Communist mastermind and paymaster of the Oginga group, and the recent initiative of the moderate coalition has thrown Oginga on the defensive and left his forces in some disarray. His strength has proven less than was generally believed, and two of his allies in the cabinet appear ready

to jump on Kenyatta's bandwagon. His staunchest cabinet cohort, the information minister, has reportedly antagonized Kenyatta and may lose his portfolio.

There have been repeated reports that Oginga and his extremist cohorts are planning a coup, perhaps this month. Such an effort seems unlikely, however, except as a desperate last stand.

In a 10 April speech, Kenyatta for the first time openly attacked an Oginga lieutenant, a Kikuyu who has been agitating against the government among Kenyatta's own Kikuyu tribe. Kenyatta is incensed by this and may well encourage the man's arrest. Other ministers allied to Kenyatta have been stumping the country calling for "genuine" nonalignment--that is, not slanted toward the Communists--and an end to "foreign subversion."

Following a debate in parliament in early April on an alleged plot to overthrow the government with smuggled Communist arms, the Kenyan Army seized several arms caches, including 500 submachine guns and 500 pistols, delivered by a Czech plane last fall, found in the basement of Oginga's office. Oginga was briefly detained for questioning on 14 April [redacted]

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Asia-Africa

NOTES ON CONGO AND SUDAN

Congo: The government's military position is still improving throughout the country. The mopping-up operation in the northeast continues; patrols are capturing transportation centers and rebel resistance is light. Remaining isolated pockets of rebels give no indication of organizing counterattacks.

In the eastern Congo, however, rebels in the Fizi area again threaten Albertville, the capital of Nord-Katanga, reportedly having encircled army garrisons on the major road along Lake Tanganyika leading into

that province. Other insurgent groups continue to harass Uvira, to the north.

The parliamentary and provincial elections are proceeding without violence but with reports of widespread irregularities; final results, however, are unlikely to be overturned by the courts. Voting is closely following tribal lines, with support going to established leaders. As expected, Premier Tshombé has received considerable backing from the Katanga provinces.

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Sudan: The transitional coalition government has confirmed that parliamentary elections are to take place in the six northern provinces on 21 April. In the Negroid south, where the rebels remain active, the elections will be postponed indefinitely until civil order is restored and some agreement is reached on relationships with the central government.

According to the present schedule, a permanent government is to be installed in Khartoum by 7 June. The generally conservative Umma Party--the political arm of the Ansar politico-religious brotherhood--will probably win enough seats to control the government with the continued support of the urban National Union Party and the ultraconservative Muslim

Brotherhood. The Communists hope to establish a working minority in the parliament by winning a large share of the special seats reserved for university graduates.

The leftist People's Democratic Party is still actively working for a postponement of the elections and has declared that it will boycott the polls on 21 April.

Egyptian efforts to lure the National Unionists away from their coalition with the Umma have apparently failed. Traditional rivalries between these two groups, however, make prospects for any lasting coalition remote at best.

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Europe

FRANCE AND THE EUROPEAN SPACE PROGRAM

The French Government last week withdrew a proposal that the European Launcher Development Organization (ELDO) scrap its original program in favor of a more advanced effort. Paris' action was apparently prompted by opposition from the aerospace industries in France and other ELDO countries as well as by a more sober appraisal of the costs involved.

Last January, the French criticized the original launcher --ELDO-A-- as too costly and as inadequate in lifting capability. They asked ELDO to concentrate on the ELDO-B, a more powerful follow-on launcher still on the drawing board. ELDO-B, they argued, could put heavy communications satellites into the desired high orbit and thus permit Europeans to compete with the US in this profitable field.

Although clearly advantageous to ELDO in the long term, the French proposal encountered general opposition, apparently because it would disrupt the existing allocation of effort among national industries and would require even larger outlays of funds than does ELDO-A. Its withdrawal at a 7-9 April ELDO council meeting in Paris was followed by a vote to continue construction of ELDO-A.

ELDO's continued existence may still be in jeopardy, however. Although the French are calling for greater European cooperation in scientific research and development, they may now concentrate on developing a reliable satellite launcher for their own national program. This might deal ELDO a mortal blow.

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REORGANIZATION OF SPAIN'S STUDENT ORGANIZATION

The reform of the Spanish University Syndicate (SEU) spelled out in an official decree promulgated on 7 April has brought a lull in student agitation. The reorganization has removed the immediate irritant stemming from government appointment of top SEU officials, but it is unlikely to permit the kind of freedom the students ex-

pect. Indeed, some students have already complained about the lack of any student role in drafting the regulations implementing the decree.

The government clearly intends to continue exercising strict control over the student organization. The decree itself specifies that the SEU must

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Europe

function according to the "fundamental principles" of Spain's political and social life and that political activity outside the student organization will be considered incompatible with university activities. Also the regime will appoint a commissioner, armed with extensive administrative powers, to provide "liaison" between the students and the state.

The decree on the SEU --like an earlier draft press law and a proposed law of Associations--is an example of the regime's tendency to offer proposals which seem to be concessions but which contain qualifications that effectively preserve the status quo.

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25X1**Western Hemisphere****SPLIT IN BRITISH GUIANA'S GOVERNMENT NARROWLY AVERTED**

A tax policy quarrel between British Guiana's Premier Burnham and Minister of Finance D'Aguiar, which began in early April, flared up in larger dimensions last week end. Before a compromise agreement was finally hammered out, D'Aguiar was on the verge of resigning. Since he heads the minority party in the government coalition, his withdrawal might have brought down the government.

The controversy was re-kindle through a misunderstanding on the part of one or both men. In essence, it involved the degree to which Burnham was committed to endorse a D'Aguiar proposal to reduce or eliminate several taxes to stimulate greater private investments in the colony.

It seems clear that competition for power and influence lay at the heart of the clash over taxes and that this rivalry led to the near showdown. D'Aguiar, who has made a number of concessions to Burham on other matters, evidently felt obliged to take a firm stand on taxes or be completely overshadowed.

Now that Burnham and D'Aguiar have successfully weathered the first serious test of their partnership, the air probably has been cleared and the coalition at least temporarily strengthened. In the long run, however, the outlook is for more such confrontations.

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Western Hemisphere

ECONOMIC IMPLICATIONS OF FORTHCOMING OAS CONFERENCE

The Extraordinary Inter-American Conference scheduled to open in Rio de Janeiro on 20 May will be the first meeting since 1954 of the Organization of American States' highest organ, the general conference. This meeting was called primarily to consider means to strengthen the inter-American system through organizational changes.

Included on the agenda is an examination of the operations and the future of inter-American economic and social organisms, including the Alliance for Progress. Brazil, along with Chile, seems to favor a new international agreement "institutionalizing" multilateral hemispheric economic co-operation. This idea derives in part from a 1960 effort to link economic development with hemispheric security in order to obtain more US aid, although subsequent developments have obviated the justification for such an agreement. The Brazilians apparently contemplate ending the unilateral nature of the Alliance by persuading some of the more advanced countries to share the aid burden.

Advocates of mandatory economic cooperation would like to have OAS economic activities consolidated under a new council, with the present OAS council retaining only a political role. The new body would be located in Latin America. Chile, moreover, contemplates a possible third council devoted to culture and education.

Chilean Foreign Minister Valdes has not only demanded the institutionalization of economic relationships but favors a more enduring US economic commitment to Latin America than the Alliance stipulates. For Chile, this is also related to the fundamental thrust of the Frei administration's foreign policy--the economic integration of Latin America implicitly under the leadership of Frei's Christian Democratic Party.

President Frei recently wrote four prominent Latin American international economists asking their cooperation in the development of continental economic integration. In response, they drafted a study on the creation of a common market which possibly would include Cuba. This insensitivity to US policy would reflect the tendency of the Christian Democrats and economic technicians to assign economic considerations priority over the political in working out their ideas for hemisphere development. Frei's initiative, however, drew a countersuggestion from Argentine President Illia, whose government recommends accomplishing integration through the nine-member Latin American Free Trade Association.

These currents will probably merge at the forthcoming OAS meeting where a formula on closer economic cooperation may be hammered out. Whether the form which increased Latin American economic unity and cooperation takes will help or harm US interests remains to be seen

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SECRET**Western Hemisphere****VENEZUELAN AUTHORITIES ARREST SUBVERSIVES OF RIGHT AND LEFT**

The Venezuelan Government is exploiting, both domestically and abroad, the interception of clandestine funds destined for the Communist Party (PCV) as well as the arrest of a newspaper publisher accused of plotting, with accomplices of both right and left, to overthrow President Leoni.

Extensive news coverage has been given to the arrest of three Communist couriers on 26 March who had in their possession \$330,000 allegedly for delivery to the PCV. Interior Minister Gonzalo Barrios, in a news conference on 10 April, publicly displayed the money and asserted that the funds came by way of the Communist Party of Italy (PCI). The PCI has emphatically denied this, but Venezuelan officials are sticking to their charge.

Some international aspects of the smuggling case have been touched on in public by the foreign minister of Colombia. He claimed that the Venezuelan incident "coincided with decisions made during the recent meeting of Communist parties in Moscow." He also charged that one objective of these decisions was to facilitate the overthrow of both the Colombian and Venezuelan governments.

On 9 April Venezuelan authorities arrested publisher Miguel Capriles, together with more than 50 of his supporters. Capriles, whose papers have been vehemently attacking the government, is charged with organizing and leading an insurrectionist movement. Among the prisoners are Communists, retired military officers, and several well-known rightist plotters. Interior Minister Barrios, in his press conference, left the clear impression that the Communist couriers were somehow linked to Capriles' group

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Western Hemisphere

EXTREMIST EFFORTS AGAINST PANAMANIAN GOVERNMENT

Panamanian extremists have stepped up their drive to create a climate favorable to revolutionary action. Their latest effort has been the escalation of a minor strike of provincial sugar workers into a long march on Panama City, where they promoted mass rallies on behalf of the marchers as well as a fairly effective general strike in the capital.

The exploitation of the provincial strike seems to have been part of a concerted drive by a combination of extremist elements to stir popular dissatisfaction with the government and the oligarchy. Among the most active agitators are members of the newly organized Panamanian Revolutionary Union (URP). The URP is backed by a number of "hard-line" revolutionaries who are in contact with Havana and Peiping. Also actively involved are Moscow-oriented leaders of the regular Panamanian Communist Party and followers of ex-President Arnulfo Arias.

Another aspect of the present situation is the prospect

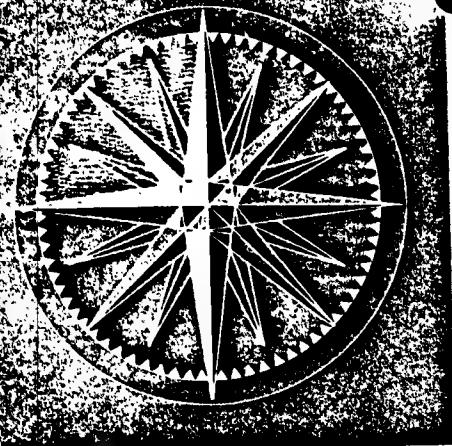
that Carlos Ivan Zuniga, an influential lawyer-politician who has made a political career out of his profession as labor adviser, may be able to organize a leftist-labor coalition. Zuniga is generally recognized as the most effective member of the National Assembly, where his highly articulate performance in that body has won him wide popularity among the lower classes as well as growing political influence.

Zuniga, who already controls the banana workers' union --Panama's largest--encouraged the sugar workers in their current strike and has become their legal adviser. He has negotiated on their behalf with President Robles, who personally signed the agreement. In addition to the probability that he won some benefits for the strikers, Zuniga's new position with their union will bring his influence into Panama's economically depressed central provinces where the Communists have been particularly active.

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15 October 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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SECRET**C O N T E N T S**

(Information as of noon EDT, 14 October 1965)

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VIETNAM	1
Although there was a relative decline in large-scale military engagements in South Vietnam last week, the number of Viet Cong incidents reached the highest level in over a year amid indications that the Communists may be planning to step up their terrorist activity. The Communists are also nearing completion of considerable construction and improvement work on roads in southern Laos which will extend their infiltration routes into South Vietnam. The number of confirmed surface-to-air missile sites in North Vietnam reached 29 last week, but it is estimated that the DRV has only enough equipment for six to ten of these. Hanoi has intensified its propaganda alleging US air strikes against civil targets.	
 <u>The Communist World</u>	
UNANNOUNCED HIGH-LEVEL PARTY MEETING IN COMMUNIST CHINA	4
Recent regime pronouncements suggest that the leaders are frustrated by a wide range of foreign and domestic problems, and an important unannounced conference has apparently been under way since at least 27 September to discuss and act on them.	
WARSAW PACT EXERCISE IMMINENT IN EAST GERMANY	6
Preparations for the announced Warsaw Pact exercise are virtually complete. Military activity in south-western East Germany is expected to accelerate in the next few days as Soviet, East German, Polish, and Czech forces deploy for the event.	
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The increasing frequency of Soviet lunar probes suggests that the USSR is anxious to show some results from a program which has suffered badly in comparison with US lunar explorations.	

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SECRET**ACCRA TO HOST AFRICAN SUMMIT MEETING**

16

Most of the 36 countries belonging to the Organization of African Unity will send high-level representatives, although some heads of state will not attend. African problems will be of primary concern, but some touchy East-West issues may also come up.

TSHOMBE OUSTED IN THE CONGO

15

President Kasavubu's dismissal of Premier Tshombe almost certainly presages a period of political turmoil and possibly violence. Moreover, Leopoldville still faces a long campaign to re-establish its authority in large rebel-infested areas, although mercenary forces captured the last major rebel stronghold last week.

Europe**SCANDINAVIA AND NATO**

16

Swedish Prime Minister Erlander's recent cautious allusion to the possibility of a Scandinavian defense pact raises the question of whether Norway and Denmark will continue their NATO membership after 1969 when they may opt to withdraw. Opinion in those two countries will be affected as always by Soviet moves but also by how French NATO policy develops and by their latent fear of Germany as Bonn seeks a greater nuclear role in NATO.

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Western Hemisphere

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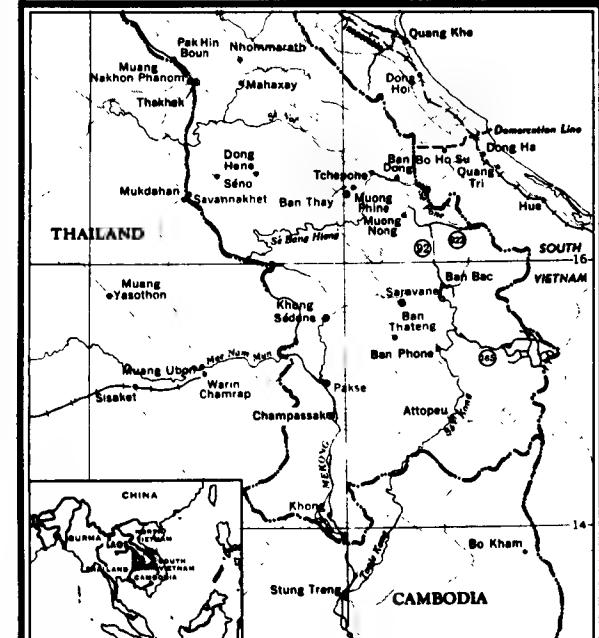
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to complete roads in southern Laos started in mid-1964. When the dry season arrives in a few weeks they will have more than 150 miles of roads flanking the South Vietnamese border to a point 90 miles south of the demilitarized zone (DMZ)--some 55 miles farther than a year ago.

The general plan appears to be to extend Laotian route 92-- which parallels the South Vietnamese border at an average distance of about 25 miles--to the vicinity of Ban Phone and to open branches from route 92 toward the border both with new construction and by upgrading existing trails. As of the end of September, the branches

consist of one from Ban Phone completed to the border, a second from Muong Nong com-

SOUTHERN LAOS: Roads Built or Improved Since Mid-1964



pleted to within five miles of the border. A third road starting from Ban Bac, in an early stage of construction, may also lead to the South Vietnamese border.

Development of route 92 and its branches is almost certain to be stepped up when the dry season arrives. This will probably include the provision of more off-road support facilities and bridging and the further extension of route 92 from the latitude of Saravane to Ban Phone, a gap crossed in 1964 by using large canoes on the Se Kong River..

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More SAM Sites in the DRV

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The total number of confirmed surface-to-air missile sites in North Vietnam reached 29 this week with the confirmation of seven new sites. Despite this increase it is estimated that at present there is only enough SAM equipment in the DRV to equip six to ten sites. The largest number of operational sites--those equipped with missiles and ready to fire--noted at any one time was five on 8 October. Many of the newly confirmed sites are in groups of two or three within a few miles of one another, probably to make the most effective use of the available equipment.

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the Vietnamese have taken over SAM operations after only three months' training instead of the nine to

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to twelve months normally required.

Alleged Bombing of Civil Targets

Hanoi's propaganda charges denouncing alleged US bombing and strafing of civil targets in the DRV have recently been intensified. Part of the DRV campaign involved a guided tour of the damaged areas for a group of journalists from Japan, Indonesia, and the UAR. Initial reports from the newsmen describe urban centers in the southern DRV as "virtually flattened," and claim "indescribable damage to civilian establishment" including over 40,000 dead from the raids. After a spate of new charges over damage to hospitals and other medical facilities, Hanoi on 12 October released a detailed list of 124 "educational institutions" it claims were hit by US planes.

Beyond the general intention of arousing additional free world sentiment against the air raids it is not clear exactly what has sparked the heightened DRV propaganda charges. Hanoi may hope to provide some specific detail and background music for leftist and Communist spokesmen at a series of upcoming free world student protest demonstrations over US policy in Vietnam. In its declaration on the alleged bombing of schools, Hanoi called on "educational circles in all countries" to launch a "powerful movement of protests."

DRV Assembly Postponed

Indicative of the problems caused in the DRV by the bombing is Hanoi's decision to "postpone" the upcoming fall session of its national assembly. The postponement will allow state organs and cadres to concentrate on resisting US "aggression," according to Hanoi. The move probably also reflects anticipation of difficulties in transporting delegates to Hanoi and a reluctance to concentrate many key cadres in one large assembly.

Hungarian Mission to DRV

A high-level Hungarian delegation led by politburo member Jeno Fock arrived in Hanoi on 7 October. The delegation, which included both economic and military specialists, met with party First Secretary Le Duan and DRV economic and military officials on 10 October. Hanoi described the talks only as an "exchange of views on problems of common interests."

The full purpose of the visit is not clear. North Vietnam relies on Hungary for some telecommunications and electronic equipment and may be seeking additional assistance of this type, probably for military purposes. It is likely, however, that the subject of a settlement of the war will also be discussed, with the Hungarians probably urging a policy of moderation.

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absent from their own areas in early October, when they normally preside over local National Day celebrations. This strongly suggests that the activity in Peking was unscheduled and possibly urgent.

Any meeting at this time may have been triggered by foreign policy problems, such as recent developments in Vietnam, China's role in the Kashmir crisis, and difficulties in extending Chinese influence in Africa and Latin America. Foreign Minister Chen Yi's truculent and wide-ranging press conference on 29 September suggests that a decision had already been reached by then to take a generally harder line in foreign policy.

The enlarged group meets so seldom that, once together, it would undoubtedly also consider domestic affairs, including personnel appointments. No change in domestic policies is evident yet, but the stress on domestic problems evident in National Day editorials and speeches suggests that new approaches are being considered. Although these contained the usual claims that the situation at home and abroad was "excellent," the regime in fact appears to be disappointed by its mediocre achievements and frustrated over the intractability of its long-term problems. In the keynote National Day

address, politburo member Peng Chen claimed that agricultural production had increased over 1964, but he warned that "quite a few areas had suffered serious natural disasters," an admission probably designed to condition the populace to expect some belt tightening next spring. Other information on grain crop conditions indicates no increase over the mediocre 1964 level.

The absence of a strong popular commitment to regime policies also continues to worry Peking. Chen Yi admitted there were "revisionists" in China but claimed they represent no threat. The National Day editorial in the party journal Red Flag--reflecting a long-standing fear of top leaders that China, like the USSR, might some day backslide--was devoted entirely to the problem of inculcating people with Maoist beliefs through "socialist education" campaigns.

Both Chen Yi in his press conference and Premier Chou En-lai in a National Day speech alluded to the third five-year plan, which is to start in 1966, but neither gave details and both stressed that it would take decades--30 to 50 years according to Chen--to build a strong China.

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WARSAW PACT EXERCISE IMMINENT IN EAST GERMANY

Preparations for the announced Warsaw Pact exercise are now virtually complete. Military activity in southwest- ern East Germany is expected to accelerate during the next few days as Soviet, East German, Polish, and Czech forces deploy for the event.



Observation of the major military activity--which may involve the actual participation of elements of as many as ten divisions--will be denied to Allied liaison personnel. A large area in southern East Germany has been closed to them from 9 through 27 October.

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The theme of the exercise will probably be the blunting of a NATO attack into East Germany followed by a counteroffensive through the Fulda Gap to West Germany. Simulated tacti- cal and strategic nuclear blows

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are expected to play a major role.

Propaganda to date, plus Warsaw Pact commander Marshal Grechko's statement that the

exercise will be the "largest ever," suggests that the Soviets intend to use the exercise as a demonstration of bloc preparedness to counter "the West German threat to peace."

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ANOTHER SOVIET LUNAR PROBE FAILS

The increasing frequency of Soviet lunar probes suggests that the USSR is feeling a sense of urgency to show some results from this program. Luna 7, launched on 4 October, was the most recent probe and was intended to make a soft landing. Its retrorocket system apparently malfunctioned, however, and the vehicle crashed on the moon on 7 October.

A TASS announcement released some 13 hours after the impact stated that the probe's operation was generally successful. While Luna 7 must be charged off as the latest failure in a notably unsuccessful program, it undoubtedly did produce some data

which will be useful in further efforts to perfect a soft-landing system.

So far this year the Soviets have announced three lunar probe launchings, none of which has been wholly successful. They now appear to be stepping up their program to develop a soft-landing technique, possibly in an attempt to obtain lunar surface data for an eventual manned lunar landing. In addition, Moscow certainly feels the need to show some results from a program which has suffered badly in comparison with US lunar exploration.

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SECRETAsia-Africa**INDONESIA**

The army continues to keep Sukarno and the Indonesian Communist Party (PKI) on the defensive, but still appears reluctant to defy the President by a major crackdown on the party.

The army is proceeding with its investigation of the 30 September coup and will try to build a case against the individuals responsible. The investigations permit the arrest and interrogation of relatively large numbers of leftist suspects and are within the terms of Sukarno's orders. Instead of taking direct action against the PKI and its affiliates, the army is relying on anti-Communist civilian organizations. These groups have been active chiefly in destroying buildings used by the party and its front groups. There seems to have been relatively little personal violence.

The army is said to be concerned about the smuggling of Chinese arms into Indonesia disguised as nonmilitary cargo and to have asked the navy to investigate.

Sukarno returned to Djakarta from his palace at Bogor on 10 October. Although he has taken relatively little action since then, his presence in the capital strengthens his position by discounting reports that he is ill or in protective custody.

In accordance with army wishes, Sukarno has appointed Maj. Gen. Suharto commander of the army. Suharto led the army's counteraction against the 30 September coup. He replaces Maj. Gen. Yani, who was murdered on 1 October.

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Sukarno also has told air force chief Marshal Dani--who was deeply involved in the 30 September plot--that public and army pressures require his resignation from the cabinet. Dani appeared at Bogor on 6 October and, apparently fearing army action against himself, has stayed close to Sukarno ever since.

The PKI's central committee had made no pronouncements since its statement on 5 October claiming that it was not implicated in the coup attempt. Chairman Aidit's whereabouts remains unknown, although the army still believes he is in central Java.

Indications are mounting that Sukarno and the party are willing to make Aidit the major scapegoat of the affair and that they will try to form a "new" Communist party. Several Djakarta newspapers have printed stories to the effect that there are two kinds of Communists: "extreme Communists," who are

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un-Indonesian and who serve foreign interests, and "decent Communists," who could take a rightful place in Sukarno's nationalist-religious-Communist concept of government.

Moscow has treated events in Indonesia with caution. The Soviet press has reported and deplored the moves against the PKI but has stopped short of attempting to assess the situation, routinely indicting alleged "im-

perialist intrigue." In scattered private comments with Western representatives, however, Soviet officials have implicated pro-Chinese elements in the PKI. Moscow probably views the situation in Indonesia as an advantageous one which reinforces the Soviet argument that Peking's advocacy of violent revolutionary tactics can lead to disaster for many Communist parties in Asia and Africa. [redacted]

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[redacted]
25X1**INDIA-PAKISTAN**

There has been little change in the basic military-diplomatic confrontation between India and Pakistan. Cease-fire violations remain at a relatively low level. UN Secretary General Thant told members of the Security Council last week end that the situation on the cease-fire line had improved, but he saw considerable room for further improvement. Neither side has made any move to pull its troops back from forward positions.

[redacted]
the withdrawal issue with the chiefs of staffs of the opposing armies.

General Musa, the Pakistani Army commander, has already indicated, however, that Pakistan has no intention of withdrawing its troops from Kashmir until real progress has been made in moving the Kashmir issue toward a permanent solution.

Unrest has plagued Srinagar, the chief city of Indian-held Kashmir, in the past week. A number of people were killed in riots last week end, and several more were killed or wounded in a subsequent incident on 11 October. The Indian press reported on 12 October that Srinagar schools had been closed for three days. The rioting has resulted in a nighttime curfew and the arrest of several opposition political leaders. Indian authorities can be expected to react quickly and harshly to further disorders.

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Punjab, believes senior military commanders on both sides are sincere in their assurances to him that they will honor the cease-fire. He feels his most pressing problem is to bring about the disengagement of forward elements, but he is hampered in effecting this, as well as in verifying reported cease-fire violations, by limited communications and logistics. [redacted] hopes to take up

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[redacted] -all four of the Azad (Free) Kashmir "battalions" infiltrated into Indian-held Kashmir in August have returned to the Pakistani side of the cease-fire line. However, some infiltrators probably remain on the Indian side in any event.

There has been little progress toward a substantive discussion of the Kashmir issue in the UN, despite Pakistani prodding. Foreign Minister Bhutto now is in New York for a further exploration of this question. The idea of a four-power commission to assist U Thant on this issue appears to be fading, largely as a result of Soviet and French objections. Thant still favors this approach to the problem, however.

Pakistani Foreign Secretary Ahmed has told Ambassador McConaughy that his country anticipated little effective action within the UN on this issue, adding that Pakistan was again considering the Soviet offer of its "good offices" in an effort to resolve the problem. Pakistani officials, probably hoping to stir the US and UK into more immediate action, have recently raised this possibility with a number of diplomats.

Ahmed also suggested that Pakistan was coming to the con-

clusion that the UN was unable to preserve the cease-fire, and that accordingly Pakistan may have to fall back on its own resources, taking a number of actions "which together may lead to escalation." Ambassador McConaughy has noticed a number of signs that the Pakistanis may make important decisions around 15-16 October. He believes it prudent to anticipate a stiffer Pakistani response to cease-fire violations. It is likely, however, that again the Pakistani warning is primarily intended to stimulate Western action on the Kashmir problem.

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India continues to claim that Kashmir is not a subject for discussion at all. In a recent magazine interview Prime Minister Shastri asserted that Pakistani "aggression" was encouraged by the fact that "some of the big powers" not only condoned crime but wanted to make aggression pay. He reportedly was "particularly distressed" at the British.

There are continuing indications that India's efforts to cope with its critical food supply problem have been unsuccessful. Residents of Calcutta are finding that food-grain rations set during the hostilities are inadequate, and recourse to the black market is increasingly common. Nevertheless, the state government plans temporarily to cut rations even more until additional food-grain can be obtained from other states.

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SECRET**PRO-WEST JUSTICE PARTY WINS TURKISH ELECTIONS**

The solid popular majority won by the conservative Justice Party (JP) in the 10 October parliamentary elections clears the way for restoration of strong government in Turkey after four years of weak coalitions. Unofficial returns give the JP an estimated 60 percent of the popular vote and about 250 of the 450 seats in the National Assembly. Its leader, Suleyman Demirel, will almost certainly be the new prime minister.

The Republican Peoples' Party (RPP), led by the venerable Ismet Inonu, suffered a serious defeat. It received less than 30 percent of the vote, but will remain the major opposition with 130-140 assembly seats. The remaining 60-70 seats will be split among the four minor parties, with the leftist Turkish Labor Party (TLP) winning about 10 seats, assuring it a parliamentary sounding board for its strong anti-American attacks. The extreme rightist Republican Peasant Nation Party (RPNP), headed by retired Colonel Turkes, former member of the revolutionary Committee of National Union, made a poor showing at the polls but party leaders hope to attract support from "friends" in the assembly.

The JP victory should favor US interests in Turkey and maintain Turkey's Western orientation. The party leadership is

basically pro-American and realizes the importance of sound, moderate, effective government. The JP favors flexible, rather than rigid economic planning, is oriented toward private enterprise rather than state ownership, and while trying to maintain good relations with the USSR, will probably try to slow down the current Soviet economic offensive in Turkey.

The new government will remain firm in its strong support and direction of the Turkish community on Cyprus. At the same time it will be in a better position to accept compromise if indeed compromise becomes possible. Like its predecessors, it will look to the United States and the UK, rather than the United Nations, for the ultimate resolution of this sticky problem.

The new government will face many knotty problems, not the least of which will be the limited number of JP leaders with top government experience. There will be continuing pressure from both the left--the TLP--and the right--the RPNP--as well as persistent badgering from the RPP.

The new government probably will also encounter intermittent criticism from elements within the military who either fear political revenge for the revolution of 1960 or who want a stronger

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military voice in the affairs of government. Unless the new government reverts to the dictatorial tendencies of the prerevolutionary regime, however, or threatens to undermine the position of the

military, or neglects the country's social and economic development, the military can be expected to support the Demirel regime.

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BRITISH-RHODESIAN TALKS FAIL

Last week's talks in London between Prime Ministers Wilson and Smith on the question of Rhodesian independence ended in failure. Smith and his cabinet remain uncompromising and are likely to decide soon to make a unilateral declaration of independence (UDI), although the announcement may be delayed for several months.

porarily delay Rhodesian independence.

Most of Rhodesia's white electorate is reported anxious for an early decision, but some are having second thoughts about the wisdom of UDI. Business and industrial leaders, who last year declared that UDI would have disastrous economic consequences for Rhodesia, have reaffirmed their opposition to rash action and apparently are considering ways of putting pressure on Smith. Leading newspapers are encouraging Smith to consider carefully and to consult public opinion before reaching his decision.

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Nevertheless, Smith announced on his return from London that further negotiations were out of the question, and that Rhodesia would probably have its independence by Christmas. He is now so firmly committed to immediate action that he will probably have to declare UDI before too many months or resign his office.

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The UN General Assembly passed a resolution this week calling on the UK to take all steps necessary to halt UDI. However, international pressures are unlikely to do more than tem-

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SECRET**ACCRA TO HOST AFRICAN SUMMIT MEETING**

African heads of state and government will convene in the capital of Ghana from 21 to 27 October for the second time since they established the Organization of African Unity at Addis Ababa in 1963. Most of the 36 member countries are expected to be represented at the meeting, although not by the top leader in some cases.

The dispute between radical Ghana and the conservative French-speaking states, which has threatened to split the OAU, appears to have been deferred for the sake of preserving African unity. The argument revolved around Ghanaian President Nkrumah's active support of subversive elements from independent African countries. This was discussed at an emergency OAU foreign ministers' conference in June, which confirmed the Accra site for the summit in exchange for Ghana's guarantee to expel undesirable political refugees. Nkrumah has made token compliance, but no one believes he has given up subversion, and some of the conservatives may still refuse to attend.

Although the OAU conference will be concerned primarily with African problems, some touchy East-West issues may also come up. Moderates, who put Vietnam on the summit agenda, successfully blocked preliminary efforts by radical members to present a one-sided version of the conflict, and the moderates' bid to ensure a mild African position on Vietnam may well succeed. The question of Chinese Communist admission to the UN, on the other hand, would, if it arises, be supported by some moderates as well as by the radicals.

Of the specifically African issues on the agenda, the most urgent will be the working out of responses to a possible unilateral declaration of independence by Rhodesia as well as an OAU stand on recent Congo developments. Previous strong resolutions on the Portuguese African territories, on South Africa's racial policies and on its mandate over South West Africa, are likely to be reiterated.

There are numerous indications that a disguised form of Nkrumah's old dream of a continental union government will be given considerable attention at the summit.

Diallo Telli, the OAU's ambitious secretary general, may push to make the OAU the voice for all aspects of African affairs. In close collaboration with Nkrumah and the radicals, Diallo has apparently written a subtle resolution to this effect for Ghana to present to the summit.

A somewhat different push toward centralization will come from Ethiopia, which wants to house the OAU's many commissions in Addis Ababa. Ethiopia may also propose holding all future summit meetings there to avoid repetition of the recent disagreement over the Accra site.

Previous efforts to establish union government have met with no success. Many African leaders have been troubled by recent displays of disunity, however, and may be more receptive than formerly to such suggestions

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SECRET**TSHOMBE OUSTED IN THE CONGO**

Congolese President Kasavubu's dismissal of Premier Tshombé on 13 October almost certainly presages a period of political turmoil in Leopoldville.

In essence the conflict between the two men is a struggle for the presidency, the locus of ultimate political power in the Congo. Presidential elections are due in six months, and the intervening period is likely to be marked by vigorous and sometimes violent politicking throughout the country.

Kasavubu apparently is working with Interior Minister Nendaka to cut away Tshombé's power. Evariste Kimba, whom Kasavubu named to form a new government, is a fairly able politician but lacks a national political base of his own. He will be heavily dependent on Kasavubu's support, on Nendaka's anti-Tshombé parliamentary alliance, and probably on the goon squad Nendaka is assembling in Leopoldville.

Tshombé seems likely to remain in Leopoldville for the

present and to use his considerable parliamentary strength to block attempts by Kimba and others to form a government. Under such circumstances Kimba faces an uphill struggle in his efforts to get parliamentary approval. Given the volatile nature of Congolese politics, however, his outlook is far from hopeless.

On the rebel front, the capture of Fizi cuts off the last insurgent area with channels for large-scale supply of outside aid. Rebel resistance to Colonel Hoare's mercenaries suddenly faded away, but there apparently are still many insurgents in the mountains west of Fizi.

The Leopoldville government still faces a long campaign to re-establish its authority in large sections which remain rebel infested. In many cases these are areas where rebel activity, local rivalries, and banditry are intermixed, where the populations are frequently antipathetic to the government, and where the terrain provides a base for antigovernment activities.

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SECRET**Europe****SCANDINAVIA AND NATO**

Sweden apparently has not completely dismissed the possibility of reviving its 1948 proposal for a Scandinavian defense pact. In a recent public discussion, Prime Minister Erlander noted that "pressure from both East and West" had prevented such an alliance in 1948 and subsequently led Norway and Denmark to join NATO. He suggested that this question might again become topical in 1969 when the NATO members may exercise their option to withdraw from the alliance.

Erlander's cautious allusion to this question comes at a time when the moderate group he represents is being challenged by the younger more radical wing of his Social Democratic Party. Pressure from this faction, which believes that Swedish nonalignment must give way to a more positive foreign policy, has already led the government to speak out on such controversial questions as the US role in Vietnam and disengagement in Central Europe. In the future Stockholm may feel compelled to involve itself more actively with sensitive issues closer to home--i.e., Northern Europe and its position between the Western and Communist worlds.

The success which this radical group can hope for in pursuing its objectives will not be determined in Sweden alone, but will depend to a large degree on Norwegian and Danish opinion as

it is affected by developments outside Scandinavia--particularly in Moscow. In recent years a major objective of Soviet policy in Northern Europe has been to weaken the NATO commitments of Norway and Denmark from NATO. Moscow's sabre-rattling actions, however, only served to convince most Norwegians and Danes that they could enjoy no measure of security outside an alliance with the US and Britain.

This attitude might change rapidly if there were a prolonged detente between the USSR and the West, if De Gaulle were to withdraw France from meaningful participation in the alliance, and if Bonn's pursuit of a greater role in its nuclear activities revives latent fears of West Germany. Under such conditions, public opinion might look beyond NATO for other solutions to the problem of national security. Both Oslo and Copenhagen already are under domestic pressure to hold referendums before committing their governments to continued membership in NATO.

If Norway and Denmark were to contemplate withdrawing from NATO, all three Scandinavian countries would have to reconsider the basic question of whether their combined population and resources would be adequate to organize and maintain a defense credible enough to deter aggression.

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SECRET**DOMINICAN REPUBLIC**

As preparations for the Dominican Republic's expected elections get under way, anti-Americanism is likely to grow, both as an excuse for the country's problems and as an easy way to popularity.

The autonomous Confederation of Christian Trade Unions, for instance, reportedly plans to join the campaign against the presence of foreign troops--not because it doubts the Inter-American Peace Force is necessary to stability in the republic, but because it feels it must do so to keep its membership. The provisional government is urging the IAPF to hold on to its unpopular public-order duties rather than turn them over to the Dominican police, while at the same time the government-controlled radio station is attacking the IAPF for doing so.

Important progress was made on extending government control over the rebel zone in Santo Domingo when, on 13 October, rebel military troops started moving to an IAPF camp outside the zone. This makes easier the work of government police, who began occupying the zone earlier in the week. It also raises the question as to whether President

Garcia Godoy will not be able to deal effectively with extreme leftist attempts to infiltrate government departments and take over various institutions. He has insisted that he could not do so until the rebel zone was disbanded.

The leaders of the two main political parties--Juan Bosch of the Liberal Dominican Revolutionary Party (PRD) and Joaquin Balaguer of the conservative Reformist Party--both are representing themselves to the US Embassy as moderates. Balaguer apparently is using his influence with the military leadership to urge patience with Garcia Godoy in his problems with the left. Bosch claims to be shocked by the extend of Communist penetration of his party. The PRD leadership plans to enlist the aid of a labor expert from Venezuela to regain control from the Communists of its own labor organization, and Bosch has put out vague feelers to the US Embassy about cooperation with US officials and Balaguer on "anti-Communist" strategy in the coming months. Bosch is, however, so embittered about the US intervention that more and more of his supporters say his judgment on all issues is clouded.

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The country remains bitterly divided, with its basic problems far from solution. The longer it takes Garcia Godoy to put the rebels under firm government

control the more difficult his job will be, and the more frustrated and desperate right-wing "vigilante" groups are likely to grow.

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ECUADOR'S MILITARY JUNTA REMAINS UNCHALLENGED

Ecuador's military junta went unchallenged during the 9 October celebration of the 145th anniversary of Guayaquil's independence from Spain, an occasion when the boisterous regionalism of that coastal city has often found expression in antigovernment demonstrations. Although opportunists were prepared to exploit disturbances, the national police were ready and politicians proved unable to concert action.

Despite this failure, the political parties remain determined to press the regime to accelerate or otherwise alter its plan for return to constitutional rule by September 1966. Basically distrusted by the people, poli-

ticians have shown no ability to arouse support since their maximum effort of July. The junta has played upon traditional religious attitudes by announcing that it will consider subsidizing parochial schools, a ploy designed to divide the anti-clerical Liberals and Socialists from the Conservatives and hinder formation of an effective anti-junta ad hoc coalition.

Only repercussions of a sharply declining economy or exacerbation of the perennial boundary problem with Peru now appear able to threaten the government's resolve to maintain the pace of its present transition plan.

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SECRET**REPERCUSSIONS OF THE BRAZILIAN GUBERNATORIAL ELECTIONS**

President Castello Branco is attempting to ease the tensions caused by heated reactions of political and military leaders to results of Brazil's 3 October gubernatorial elections. The government's present difficulties stem from the strong showing made by several candidates of the Social Democratic Party (PSD) who are linked to opposition forces. Many senior army officers have blamed Castello Branco for the outcome, charging that subversive and corrupt politicians will now have access to influential positions, particularly in the politically important states of Guanabara and Minas Gerais.

Partly as a result of pressure from the military, the administration is planning to present several proposals to Congress designed to increase the federal government's authority, especially over security matters, at both the national and state levels. Among the measures reportedly to be considered will be one tightening control over the activities of the several hundred persons whose political rights have been removed, including ex-presidents Kubitschek and Quadros.

Governor Carlos Lacerda, a presidential contender and present governor of Guanabara, has added to the administration's

troubles by increasing his severe attacks on Castello Branco. In several public statements during the past week, Lacerda accused the President of betraying the March 1964 revolution and failing to provide effective leadership. Lacerda's renewed outbursts reflect his anger at the loss to his personal prestige caused by his personal candidate's defeat in the Guanabara gubernatorial race. Lacerda has announced that he may withdraw as a candidate for the presidency until his party, the National Democratic Union (UDN), has considered whether or not it wants to continue with his nomination.

Castello Branco, with the cooperation of War Minister Costa e Silva, seems to have succeeded, at least for the moment, in reassuring the armed forces that the regime intends to remain firm against subversion and corruption. At the same time he has pledged to uphold the election results.

Political conditions will remain unsettled, however, as the various power elements vie for advantage. The government will have to reappraise its relations both with the UDN, which now generally supports Castello Branco, and with the restrengthened Social Democrats.

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~~SECRET~~United Nations**FRANCE TRIES TO CURB UN SECRETARY GENERAL'S POWERS**

France has seized upon the Kashmir crisis to revive issues regarding the future development of the United Nations. The main objective as in the past is to assure the maintenance of great-power predominance through the Security Council. The result will be to curb the role and influence of the secretary general and his staff, particularly in peace-keeping operations.

The French delegation has been vigorously maintaining that the Security Council should have complete authority over all details of Secretary General Thant's actions with regard to financing and staffing the UN observer groups in Kashmir. The resolution the French have proposed for Security Council approval would set budgetary limits, approve measures taken so far, and authorize the secretary general to recruit more personnel to a certain limit.

The French have always maintained that the Security Council must approve financing as well as the initiation of peacekeeping operations. They have said they intend to produce a definitive change in the practice previously followed by the Security Council and seem unconcerned by Western warnings that such a change would enable the USSR to impose spe-

cific requirements for these operations, such as troika composition of forces.

The French attitude also reflects De Gaulle's distaste for any multilateral encroachment on national sovereignty. According to members of the French delegation, it was France's experience with the "usurpation of power" by the EEC Commission that has influenced its present determination to check similar usurpation by the UN Secretariat.

The controversy recalls the split over the Congo operation which led to the financial crisis of the past year. Both the Soviet Union and France then maintained that the secretary general had gone beyond his authority in the Congo. They now are arguing the same for Kashmir.

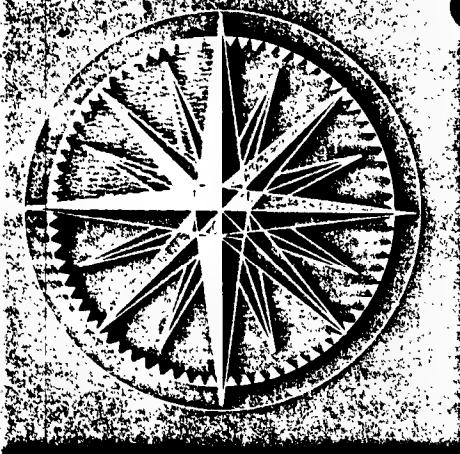
The Soviets are probably happy to have France taking the lead in trying to limit the power of the secretary general. Soviet delegate Morozov has professed "dismay" that Thant has gone beyond his mandate and complained that the council in its resolutions of 20 and 27 September did not give him "carte blanche" [redacted]

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3 December 1965

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WEEKLY SUMMARY

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SECRET**C O N T E N T S**

(Information as of noon EST, 2 December 1965)

	<u>Page</u>
VIETNAM	1
Communist-initiated incidents in South Vietnam reached a record high last week, sustaining the accelerated pace of the past few weeks. A number of unusual developments suggest that additional deployments of regular North Vietnamese Army units may be under way. Asian Communist propaganda capitalized heavily on last week's protest demonstrations in the US against policy in Vietnam. Hanoi appears to be seeking new bloc commitments of economic assistance to counter the effects of US bombings.	
 <u>The Communist World</u>	
SOVIET POLITICS AND THE INDUSTRIAL REORGANIZATION	4
Political intrigue continues in the USSR. Last September's political compromises affecting the economy apparently did not stabilize the political situation and particularly did not settle the question of where the dividing line lies between party and government authority --and, by extension, between that of Brezhnev and Kosygin.	
MOSCOW'S CALIBRATED RESPONSE TO CHINESE POLEMICAL ATTACK	6
<u>Pravda</u> recently responded forcefully to the latest Chinese anti-Soviet tirade in an effort to discredit and isolate Peking. Moscow, however, will probably continue to avoid the tit-for-tat acrimony reminiscent of the Khrushchev era.	
COMMUNIST CHINA PUTS POLITICAL PRESSURE ON SCIENTISTS	7
Peking's demand for more political subservience from physicists and other natural scientists could ultimately have an impact comparable to Lysenkoism, which hampered science in the USSR for many years.	
PEKING OUTBURST AT BOURGUIBA REFLECTS HARDER POLICY LINE	8
The Chinese Communists are annoyed by the Tunisian President's recent outspoken criticism of China's leaders, and probably also resent Tunisia's abstention this year on the UN Chinese representation vote.	

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SECRETAsia-Africa**INDONESIAN ARMY PRESSES ANTI-COMMUNIST DRIVE**

8

Communist Party branches are being dissolved piecemeal and rank and file party members slaughtered in some areas. The army frequently ignores Sukarno's moderating orders.

MORE CHINESE COMMUNIST MILITARY AID FOR CAMBODIA

9

Peking has agreed to increase its military aid commitments, while the Soviet military assistance program in Cambodia is at a standstill, probably due to Moscow's vexation with Phnom Penh's pro-Chinese attitude.

SCATTERED FIGHTING CONTINUES IN LAOS

10

The Communists have lost some positions near Thakhek in central Laos and northwest of Luang Prabang, but are exerting pressure in other areas.

ISRAEL, THE ARAB STATES, AND PALESTINE "LIBERATION" ACTIVITIES

The Arab states have differing policies toward the organizations dedicated to the "liberation" of Palestine. Jordan, the haven for most of the Palestine Arab refugees, keeps a damper on both their political and terrorist activities because it is the Arab state most susceptible to Israeli reprisals and is vulnerable to Nasirite subversion among the Palestinians. Syria, far less exposed to Israeli retaliation, encourages the Palestinian refugee raids into Israel. Egypt is cautious in supporting the Arab-Palestine cause because a wrong move could, with little warning, provoke the worst Arab-Israeli confrontation since the Suez conflict.

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CONGO QUIET AFTER MOBUTU TAKE-OVER

12

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Congolese politics seem headed for a period of relative calm following the coup on 25 November, but difficulties may arise from civilian and military political jockeying.

DAHOMEY REGIME OVERTURNED

13

When a political stalemate seemed threatened, the army ousted the country's two top officials and installed a provisional regime.

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SECRET**BRITISH POLICY ON RHODESIA TOUGHENING**

14

London is imposing stricter economic sanctions, sending air force units to Zambia, and threatening to use force to protect the Kariba dam. Inside Rhodesia, only isolated incidents of violence have occurred.

Europe**FRANCE LAUNCHES ITS FIRST SATELLITE**

17

France's space goals are not yet defined and are still limited by a launch vehicle capable of only light payloads. One early objective may be to orbit communications satellites, for which a larger booster is planned.

FINNISH COMMUNIST PARTY UNDER PRESSURE TO LIBERALIZE

13

The party congress next month may produce a fight that could cost the Communists votes in next year's national elections.

Western Hemisphere**PEARSON FORMING NEW CANADIAN CABINET**

19

The Canadian prime minister may be too optimistic in feeling he is in a stronger position now than before the election. He may have problems, in any case, balancing the various power blocs in the cabinet he expects to announce after 16 December.

BRITISH GUIANA TO BECOME INDEPENDENT NEXT MAY

20

Premier Burnham and his coalition partner seem to have reached substantial agreement on constitutional provisions, and chances appear to be declining that opposition leader Cheddi Jagan will rouse his followers to effective violence against the Burnham government.

RESULTS OF THE OAS CONFERENCE IN RIO DE JANEIRO

20

The foreign ministers approved resolutions calling for study of political and economic measures to amend the OAS charter and strengthen the inter-American system.

GENERAL STRIKE FAILS IN PANAMA

21

Determined action by President Marco Robles prevented Communist and opposition elements from exploiting a 72-hour general strike which began on 23 November.

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DOMINICAN PRESIDENT'S POSITION GROWING STRONGER

22

Despite agitation and plotting by politicians on the left and right, Garcia Godoy's position appears stronger than at any time since he took office in September.

SIGNIFICANCE OF RAUL CASTRO'S VISIT TO USSR

23

The deference accorded the younger Castro reflects the importance Moscow attaches to good relations with Cuba. The Castro delegation probably concentrated on military and political subjects during its lengthy stay in the USSR.

FRICITION AMONG BRAZIL'S LEADERS

24

A serious rift seems to be developing between President Castello Branco and War Minister Costa e Silva, who has long been a mediating influence between the President and his critics among the military hard-liners.

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SECRETVIETNAM

Communist-initiated incidents in South Vietnam last week reached a record high, sustaining the accelerated pace of Viet Cong activity during the past few weeks. One of the most damaging large-scale actions of the war occurred on 27 November, when a Viet Cong force of at least regimental strength launched a dawn attack on the Vietnamese 7th Regiment in Binh Duong Province. Although the 7th had beaten off an attack in the same area five days before, enemy forces this time achieved complete surprise, overran two battalions, and inflicted 600-700 casualties in four hours of severe fighting. Allied reinforcements searching the area afterward failed to make contact with the enemy force. The Viet Cong also attacked several government outposts and positions in the coastal provinces of I and II Corps.

Incidents of terrorism, also at record levels last week, were concentrated in government-controlled areas in the delta region and near Saigon where seven hamlet chiefs and one district official have been killed in the past three months.

[redacted] confirmed two new Viet Cong regiments in Phuoc Tuy Province and list a probable additional

enemy regiment near Saigon. Confirmed enemy regiments in South Vietnam now number 18, including seven North Vietnamese regiments. Confirmed enemy strength now totals 68,000 main force troops. In addition there are some 39,000 political cadres, 17,000 combat support troops, and over 100,000 guerrillas.

PAVN Infiltration

Intelligence gathered during the fighting around Plei Me has led to a re-evaluation of the role of the PAVN 325th Division. All three organic regiments of this unit were accepted as being in South Vietnam as of early 1965. The garrison headquarters of this unit, however, apparently remained at Dong Hoi in North Vietnam serving as a base where composite units are formed, trained, and then infiltrated to the South.

[redacted] suggest that in the past year the 325th has rebuilt at least three additional regiments and infiltrated at least one of them into the South.

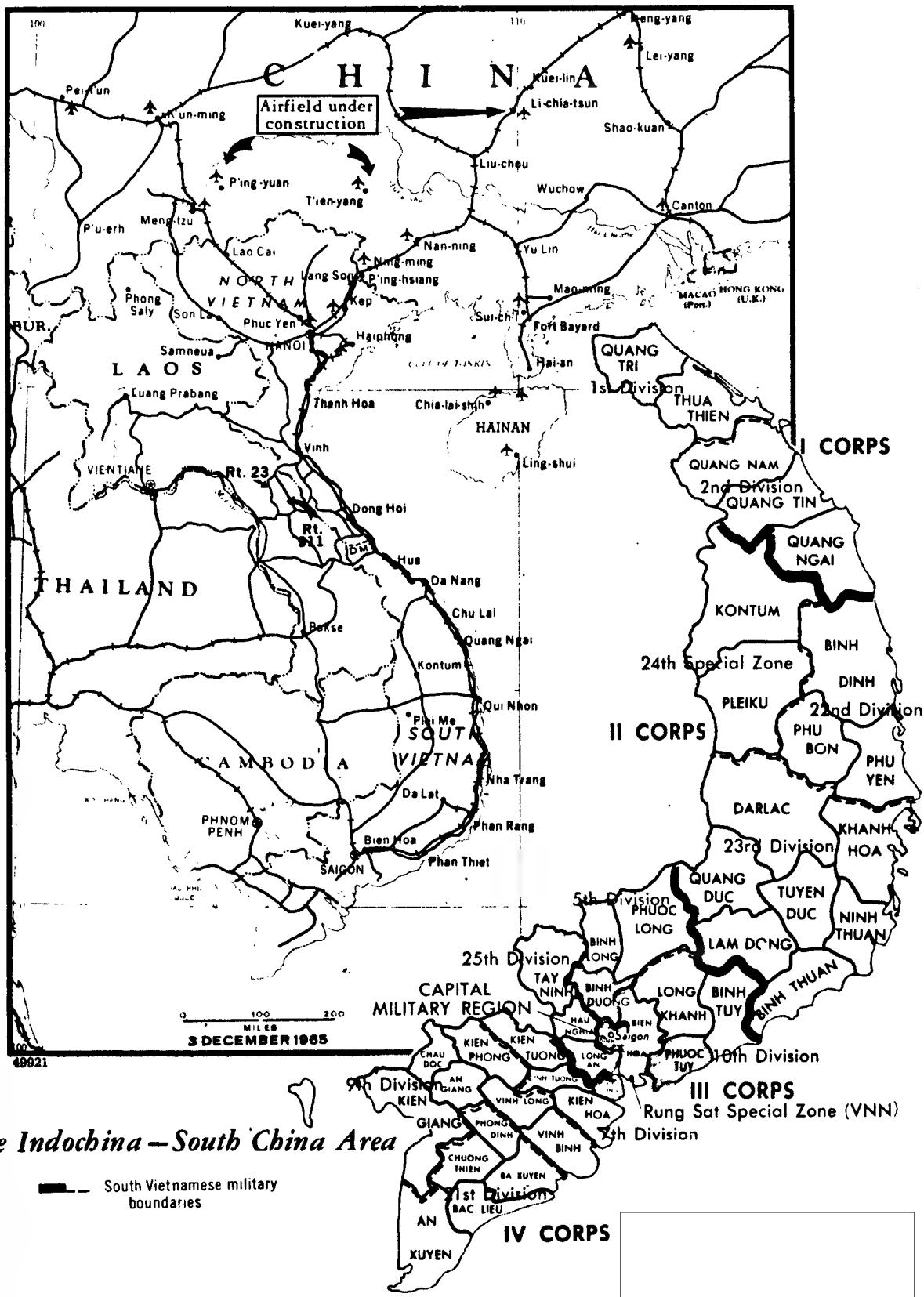
A possible reflection that new and heavier infiltration is planned or is under way are the attempts the Communists are making to camouflage the newly

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The Indochina-South China Area

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■ South Vietnamese military boundaries

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constructed infiltration route in the Laotian panhandle. Recently received photography of late October shows a trellis network being constructed over exposed portions of Route 911, the new road east of Route 23.

[redacted] on 18 November PAVN soldiers and trucks were on this road near the Route 23 junction.

DRV Air Defenses

Three more surface-to-air missile sites have been found in [redacted] North Vietnam, bringing the total number to 52. Sites 50 and 51 are located about 25 miles west-northwest of Hanoi and one is apparently still under construction. The 52nd site is located eight miles northeast of Thanh Hoa. None of the three sites contained missiles or missile-associated equipment.

Other Military Developments

Another military airfield--the fifth detected since the fall of 1964--is under construction at Li-chia-tsun near Kuei-lin, some 300 miles from the Sino-DRV border. The other air-fields include: Ning-ming; Chia-lai-shih, on Hainan Island; and Ping-yuan and Tien-yang, both probably nearing completion.

Exploitation of Protests in US

The Asian Communists capitalized heavily on last week's protest demonstrations in the US against policy in Vietnam. The principal Vietnamese Communist moves were a special message from Ho Chi Minh to the protest leaders, and the Viet Cong's release of the two long-captive US soldiers who subsequently told the press in Cambodia of their desire to "tell the American people the truth about Vietnam." Peking characterized the protests as "quite different" from past peace campaigns because they did not stop at demanding peace in general terms but clearly directed their "fire at the US ruling circle's policies of aggression and war." The Chinese may see the protest movement as an important element in US policy considerations in the long term. Over the short run, they probably hope the protests will serve to bolster Vietnamese Communist morale in the face of the US buildup.

The need for this kind of support was illustrated by the defensive tone of a South Vietnamese Liberation Radio broadcast of 20 November. The broadcast lashed out at unidentified critics of the Vietnamese Communist decision to continue fighting, accusing those who advocate negotiating unconditionally

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with the US of being "lackeys of the US in the Tito style, of betraying the revolution, their nation and Marxism-Leninism." Although this broadcast may have been aimed at foreign Communist critics, it may also have been a remonstration to some Vietnamese Communists who have lost confidence in Viet Cong military prospects.

Hanoi's Economic Mission

For the second time in five months, the DRV has dispatched high-ranking economic specialist Le Thanh Nghi to Peking, Moscow, and Pyongyang. Nghi's return to both Moscow and Peking in such a short time suggests that important or difficult economic problems may be under negotiation. However, Hanoi may be seeking additional supplies of capital equipment for bomb damage repair and perhaps even food, clothing,

and other necessities whose production may have been disrupted by the bombings. Hanoi may also believe it essential to get some long range commitment on future bloc assistance in the event that US bombings destroy most of North Vietnam's industry and transportation system.

Hanoi Hosts Canadian Communists

Canadian Communist Party president Tim Buck is presently heading a delegation to Hanoi. This is the third free world Communist party delegation to Hanoi this year and appears to be part of an effort by the North Vietnamese to elicit more vigorous support. The Canadians were received by Ho Chi Minh and have conducted talks with party First Secretary Le Duan

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The Communist World

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SOVIET POLITICS AND THE INDUSTRIAL REORGANIZATION

Recent developments suggest that the compromises reached in September which enabled the Soviet regime to move ahead with industrial reorganization did not entail any real stabilization of the political situation. In particular, the question of where the dividing line lies between party and government authority--and, by extension, between that of Brezhnev and Kosygin--clearly was not settled.

Political maneuvering, seen chiefly in personnel shifts, has continued and apparently has centered on the party-government is-

sue. An important issue at any time, it is given a special urgency by the approach of the 23rd Party Congress, set for 29 March 1966. Thus far the party seems to be ahead.

Only a week after the Supreme Soviet had reorganized the government and amended the constitution, 18 members were dropped from the Council of Ministers, leaving 65, exclusive of the 15 republic premiers who seldom attend council meetings. In the process, four of the eleven state committees whose chairmen, by the

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amended constitution, were automatically members of the council were dropped from that status. In mid-November Mikhail Yefremov was added to the council as a deputy premier.

These changes so soon after the Supreme Soviet met clearly indicate continuing political strife. Yefremov is a party professional without previous government experience. His appointment is indicative of the party's tactics of infiltrating the government to ensure a strong party role in economic administration.

One of the clearest statements of the party's claims to jurisdiction in the new system is an Armenian party decree giving the republic's party organizations the task of selecting personnel for the newly formed republic executive agencies. Concrete evidence of party incursions into the government sphere is the large number of party professionals who have recently been given government posts: in the republics, one premier, one first deputy premier, 4 deputy premiers, and 17 ministers; in the USSR Council of Ministers, one deputy premier, one minister, and two deputy ministers (all high party officials). The promotion of Dmitry Polyansky to first deputy premier perhaps should also be added since he too, although most recently serving the party as a deputy premier, has

made his career as a party professional.

In other respects the reorganization has been carried out more or less as expected. The republics have completed theirs--at least on paper--and staffing of the new agencies is well advanced. The republic party organizations, responding to the convening of the 23rd Congress of the CPSU, have set dates for their congresses (see box).

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FORTHCOMING REPUBLIC PARTY CONGRESSES IN USSR

REPUBLIC	DATE OF CONGRESS
Armenia	3 March 1966
Azerbaijan	24 February 1966
Belorussia	3 March 1966
Estonia	1 March 1966
Georgia	2 March 1966
Kazakhstan	10 March 1966
Kirgizia	3 March 1966
Latvia	2 March 1966
Lithuania	3 March 1966
Moldavia	1 March 1966
Russia	*
Tadzhikistan	2 March 1966
Turkmenia	24 February 1966
Ukraine	15 March 1966
Uzbekistan	3 March 1966

*Unlike the other republics, the Russian (RSFSR) does not have its own party organization and therefore does not hold a republic party congress.

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SECRET**MOSCOW'S CALIBRATED RESPONSE TO CHINESE POLEMICAL ATTACK**

Confronted with Communist China's stepped-up anti-Soviet campaign, Moscow has been relatively restrained in its public reaction. This tactic, however, has not prevented the Soviet leaders from responding forcefully to a particularly galling Chinese affront, especially when they considered Peking vulnerable.

Such was the case on 28 November when Pravda, in a lengthy editorial, attempted to exploit the 11 November Peking People's Daily - Red Flag polemic. Reflecting Soviet satisfaction at the setbacks the Chinese have suffered in their world-wide policies, Pravda set out to demonstrate that China's obstructionist tactics have isolated it from the "overwhelming majority" of revolutionary forces which have endorsed Moscow's call for united action against the "common enemy, imperialism."

The Soviet response reflects, in part, concern lest continued silence be interpreted as a sign of weakness or an admission of guilt. It is, however, even more indicative of Moscow's view that Peking's open refusal to cooperate with the USSR in defense of Vietnam has played into Soviet hands.

Pravda continues to appeal for joint action, even though it has long since become obvious that there is little possibility of coordinating either aid or policies in support of Hanoi. Moscow's tactic has been designed to draw a rejection from Peking and thus lay the blame for

intrabloc difficulties squarely on the Chinese. Not until China's most recent full-scale polemic, however, have the Soviets been able to point to an open admission by Peking of its adamant stand.

The Pravda editorial does not refer specifically to the People's Daily - Red Flag tirade, nor does it attempt to counter or refute all the Chinese charges. The target is clear, however, particularly when Pravda condemns the "line of political and organizational division, of splitting the Communist movement now counterposed to the clearcut position of Marxist-Leninist parties which advocate unity of action." The editorial lays special stress on the serious harm to the Vietnamese Communists caused by "this splitting."

Apart from these refinements, Pravda covered familiar ground in comparatively nonpolemical fashion, and generally reflected the satisfaction with which Khrushchev's successors view the gains achieved by their more subtle approach to bloc affairs. Despite the recent Chinese challenge to "carry on public polemics," the Soviets will probably continue to avoid the heated, tit-for-tat acrimony reminiscent of the Khrushchev era, but will speak out when the occasion demands, as they now have done several times over the past year.

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SECRET**COMMUNIST CHINA PUTS POLITICAL PRESSURE ON SCIENTISTS**

The Peking regime is demanding more political subservience from physicists and other natural scientists. Although the leadership has always insisted that all intellectuals be "red" as well as "expert," it put relatively little pressure on natural scientists for several years after the Soviets withdrew their technical experts in 1960.

In January 1965, however, the authoritative theoretical journal of the Chinese Communist Party, Red Flag, lashed out at natural scientists with a demand that they, like everybody else, consider the "class struggle" their foremost task. On 4 June 1965, People's Daily published an article signed by Chien Hsueh-sen, US-trained rocket specialist, apologizing for having belittled politics in the past. He warned that scientists must not consider themselves an elite group, but must humbly study and apply Mao's ideas.

Since last summer Red Flag has published several articles exhorting scientists to spend more time reading Mao Tse-tung's revolutionary political tracts and to use his ideas, buttressed by dialectical materialism, to guide their research work. Publication of the series in Red Flag suggests that a major policy decision on this issue was made at the highest level.

The Red Flag articles, exuding typical Chinese arrogance, attack several prominent Western scientists--including Niels Bohr,

Werner Heisenberg, and Linus Pauling--for alleged philosophical failings. Red Flag charges that Bohr's Copenhagen school of theoretical physics mislead the world of physics for 40 years by failing to adopt a dialectical approach. This criticism is significant because the Bohr Institute--center of the Copenhagen school--has been giving postdoctoral training to two junior Chinese Communist nuclear physicists since 1963.

Red Flag had high praise for one foreigner, a Japanese named Sakata, whose work on subatomic particles allegedly proves the universal validity of Mao Tse-tung's thesis that "one always splits into two." This previously had been applied only in a political context, to justify Chinese efforts to split the international Communist movement and to support divisive revolutionary activities abroad.

The recent Red Flag articles indicate that henceforth Chinese scientists will be expected to use political as well as scientific criteria to determine the suitability of Western scientific theories. The effects of this policy cannot yet be judged, but it could ultimately have an impact comparable to Lysenkoism, which hampered science in the USSR for many years. The damage done in China will depend on the extent to which scientists are allowed to continue their serious work while merely giving lip service to political shibboleths.

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SECRET**PEKING OUTBURST AT BOURGUIBA REFLECTS HARDER POLICY LINE**

Peking recently lashed out at Tunisian President Bourguiba for his outspoken criticism of China's leaders in an interview with the French journal Realités. Bourguiba had apparently referred to Peking's "limitless pretensions." A sharply worded diplomatic protest on 19 November was followed by an editorial in People's Daily the following day which took Bourguiba to task for "railing at China" whenever he wants US aid.

The Chinese Communists had never before attacked by name the leader of an African country with which they maintain diplomatic relations. Their annoyance in this instance was probably due mainly to Tunisia's decision to abstain this year on the Chinese representation

vote in the UN. The Tunisians had voted in favor of seating Communist China in 1963.

Although the bitter Chinese outburst may presage a further deterioration in the no-more-than-correct relations between the two countries, a complete break is probably not imminent. The Chinese are undoubtedly loath to reduce their diplomatic presence in Africa. In the last year only one additional African country recognized China. On the other hand, recent Chinese foreign policy moves have shown signs of growing inflexibility and doctrinal fanaticism. The Chinese now are certainly less solicitous of the feelings of African moderates and even tend to ignore those of many of the more radical Africans.

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Asia-Africa**INDONESIAN ARMY PRESSES ANTI-COMMUNIST DRIVE**

The Indonesian Army continues to put pressure on President Sukarno and to push its attack on the Communist Party (PKI). Although the army clearly has the upper hand over the Communists, the power struggle with Sukarno remains unresolved.

The army is ignoring Sukarno's orders whenever it suits them.

Sukarno has dismissed air force chief Dani, a prime target of the army for his role in October's abortive coup. Although Dani retains his cabinet post, his discharge is a virtual admission by Sukarno of Dani's complicity. Several prominent left-wing politicians, previously under Sukarno's protection, are apparently under detention. Foreign Minister Subandrio, another army target, has publicly accused the PKI of masterminding the uprising, a reversal

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of his earlier efforts to play down the party's role.

There are indications that Indonesian political parties hope to exploit the deteriorating economic situation to force cabinet changes on Sukarno. Rice supplies are shrinking and inflation is rampant. Catholic Party leaders, backed by six other parties, are reportedly asking for an emergency inner cabinet to "settle economic problems and stabilize the situation." If Sukarno bows, the army and its allies presumably intend to capitalize on any foreign aid they may obtain in the future to cement their position.

The piecemeal dissolution of the PKI and its affiliates

continues, and there is considerable speculation that Sukarno, who now may have accepted the PKI's demise, will soon issue a formal ban. The army apparently hopes to block party attempts to go underground. PKI chairman Aidit, captured on 21 November, is reliably reported to have been shot on resisting interrogation. The US Embassy is convinced all but one or two members of the PKI politburo have been captured.

The all-out campaign against rank-and-file party members gives no sign of letting up. However, the army has shown some concern about untrammeled Muslim violence, and is taking steps to curb it.

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MORE CHINESE COMMUNIST MILITARY AID FOR CAMBODIA

Communist China's position as chief supplier of military equipment to Cambodia has been strengthened by recent new commitments. The Soviet military aid program there is at a standstill, probably due to Moscow's vexation with Phnom Penh's increasing pro-Chinese attitude.

Prince Sihanouk announced on 27 November that the Chinese-

Cambodian military aid agreement concluded in Peking last week includes, for the first time, a small number of conventional and jet aircraft. Cambodia previously had received six jet aircraft from the USSR.

Chinese military aid to Cambodia heretofore has consisted largely of ground forces

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equipment said to be sufficient to equip "27,000 men" and has been valued at about \$4 million. The most recent Chinese delivery to Cambodia, made in June, is believed to have completed shipments under the previous military agreement concluded in late 1964.

Moscow's disillusionment with Phnom Penh has left unde-

livered several jet fighters and some antiaircraft guns. Work continues on a Czech-assisted munitions factory. In the past Prague has also supplied some small arms and ammunition to Cambodia and may be requested, during Sihanouk's planned visit to Eastern Europe, to furnish additional military materiel not available in China.

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SCATTERED FIGHTING CONTINUES IN LAOS

Fighting continues in widely separated areas of Laos although no major Communist attacks have been reported in the past week.

In the Thakhek area in central Laos, reinforced government forces have regained several positions lost to the Communists in early November and now are mounting cautious sweeps to the east along Route 12 and south along Route 13. The Communists have withdrawn from one position straddling Route 13 some ten miles southeast of Thakhek. However, reports indicating that substantial numbers of Communist troops moved west on Route 12 in mid-November suggest that renewed Communist pressure in the Thakhek area may be in the offing.

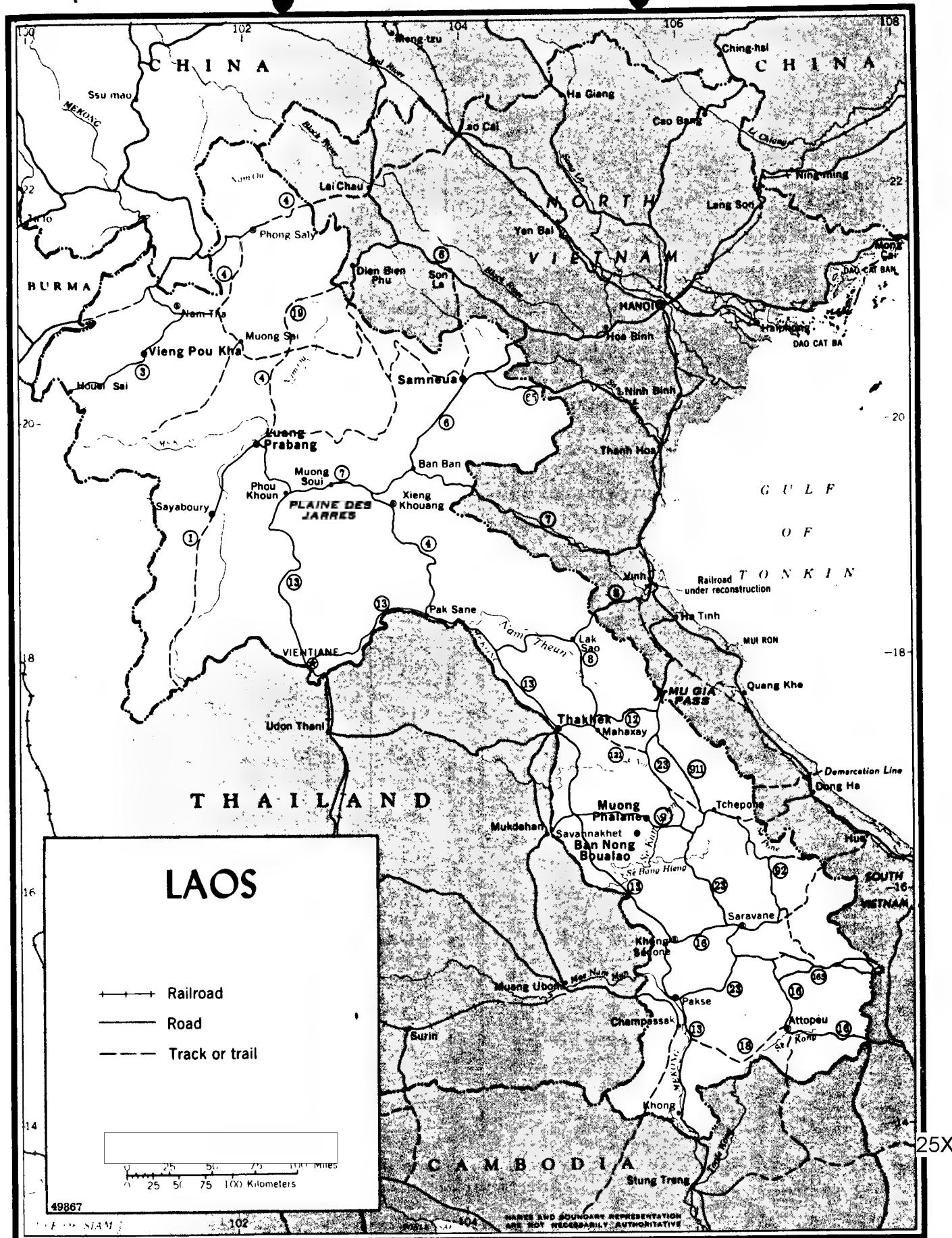
The Communists have increased pressure against government positions south of Muong

Phalane. Several companies of friendly troops withdrew on 28 November from positions along the Se Kum Kam river to fall-back positions around Ban Nong Boualao, a key defensive position. Reinforcements have been brought in to defend the village.

In northern Laos, friendly guerrillas have recaptured Vieng Pou Kha, some 90 miles northwest of Luang Prabang, which was lost to the Pathet Lao last May. In the Samneua area, light Communist probes over the past two weeks have been rebuffed by friendly forces positioned along Route 6. Roadwatch reports indicating that the Communists are moving large supply convoys south of Samneua town to their advanced positions suggest that some step-up in their efforts to clear Route 6 may be forthcoming.

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SECRET**CONGO QUIET AFTER MOBUTU TAKE-OVER**

Congolese politics seem headed for a period of relative calm following last week's coup by army chief Mobutu.

Mobutu, who installed himself as President on 25 November, has kept extensive power in his own hands. He has assumed the authority to legislate by decree, and has taken charge of the country's security police. He also holds the defense and information ministries in the cabinet, headed by army Colonel Mulamba, which received parliamentary approval on 27 November.

This is a considerable concentration of authority for one who has never been a brilliant administrator. Moreover, Mobutu will have to spend a good deal of time monitoring the politicians in the cabinet, since Mulamba, although he is one of the few competent officers in the army, has no experience in Leopoldville politics. Their first task is to get the ministers to transcend regional and personal interests--and in this regard Mulamba's appointment of relatives to important positions is an inauspicious first step.

The position of the politicians themselves is still uncertain. Ex-President Kasavubu is at his house in the Leopoldville paracommando camp. He does not seem to be pressing for permission to return to his tribal area west of Leopoldville, and the army

probably would not allow him to leave if he wanted to. Former premier Tshombé apparently is biding his time on the theory that Mobutu will eventually turn to him. In the meantime he is cultivating Mulamba, who has already consulted him several times. Tshombé is said to be thinking of developing an image as the champion of "legality" in the face of the "illegal" army take-over. Several other politicians, including former premier Adoula, are holding aloof from politics.

Ex-Interior Minister Nendaka's status is uncertain. He is included in the government, but in the less important transport ministry. Mulamba distrusts him, and Mobutu in the days before the coup was concerned about his ambition and opportunism. The extent to which he can regain his influence depends on the degree to which Mobutu's proverbial loyalty to long-time associates overcomes his qualms about Nendaka's recent activities.

The coup's long-term significance may turn out to be the immersion of the army in politics. For a few months the country may be carried along on the euphoria attendant on the partial displacement of Leopoldville politicos. Later, however, the country may find itself with competing military factions added to the traditional civilian maneuvering.

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SECRET**DAHOMEY REGIME OVERTURNED**

Dahomey's chronic political instability has again produced an abrupt change of regime and a provisional government installed by the country's military leaders. The new system which emerges seems likely to be based, at the insistence of the army, on support from all three of Dahomey's major regions.

Dahomey has a political tradition of depending on a coalition of two of its three principal regional leaders, with the third excluded and often in prison. The roles were rotated periodically. The most recent arrangement, initiated after an army-supported revolt in late 1963, had a dual executive--Sourou-Migan Apithy as president and chief of state and Justin Ahomadegbe as the slightly more powerful vice president and chief of government--and former president Hubert Maga in prison. Virtually from their inauguration, Apithy and Ahomadegbe began intriguing against one another. On 25 November, after releasing Maga and lining up the support of a broad range of organizations, Ahomadegbe launched his attempt to oust Apithy.

Apithy refused to budge from the presidential palace in Porto Novo, the center of his political support, and some popular agitation in his favor ensued. Faced with a developing stalemate, the army stepped in and, after a minimal show of force, secured the resignations of both executives. From that point, the

situation was returned to constitutional procedures and the presidency passed to the president of the National Assembly, Tahirou Congacou, who is favorable to Maga. Apithy, Ahomadegbe, and Congacou on 29 November made a joint radio appeal for calm and conditions returned to normal. The provisional government plans to complete a constitutional revision and to hold new presidential elections within 50 days.

Army Chief of Staff Soglo, who is being credited with bringing off this coup, has not yet clarified his own political position. He is believed to have personal ambitions for the presidency. However, the army is itself divided and Soglo seems unwilling to gamble on a move which might lack the support of a majority of the officers.

The apparent popular indifference to the overthrow of the regime indicates that the people of Dahomey are tiring of the constant maneuvering of their leaders. They probably would accept any government, particularly one with high-level representation from all three regions, which showed an inclination to come to grips with the country's serious economic problems. France, which continues to make heavy budgetary contributions to Dahomey, is evidently prepared to support any political settlement that safeguards its own interests in the country.

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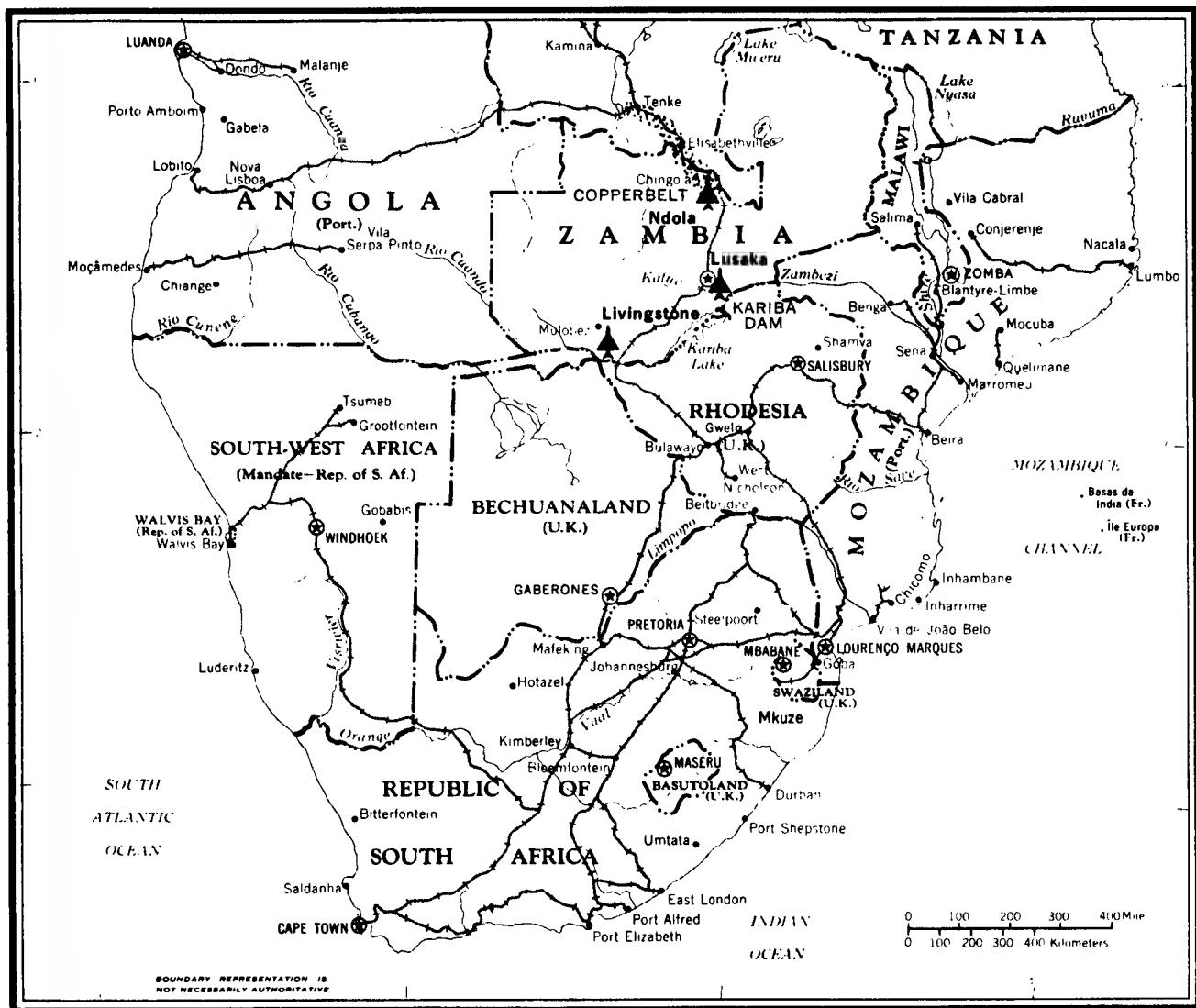
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BRITISH POLICY ON RHODESIA TOUGHENING

The British Government has shifted to a tougher position on Rhodesia, including a threat to use force to protect the Kariba dam and a decision to impose stricter economic sanctions.

Prime Minister Wilson has announced that the UK "will not stand idly by" if Rhodesia

should cut off power to the Zambian Copperbelt from the Kariba hydroelectric complex on the Rhodesian side of the border. Wilson refused to assure the Tory opposition that British forces would not be sent across the border or British planes into Rhodesian air space if trouble developed at Kariba.



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Wilson also revealed that he had offered Zambia an RAF jet fighter squadron, to be stationed at Ndola in northern Zambia, and RAF ground forces to go to airfields there, at Lusaka, and possibly Livingstone. The move, however, is reportedly contingent on Zambia's promise not to accept military forces from other countries unless the UK agrees. Commonwealth Relations Secretary Bottomley is in Lusaka to discuss Kaunda's reservations, as well as his request for additional British ground forces. The outcome of the talks is not known. RAF units are apparently on the move to Zambia, but negotiations reportedly are continuing on the use of British Army units.

The UK has announced it will ban imports of Rhodesian food, minerals, and metals, in addition to its earlier ban on tobacco and sugar. This will eliminate over 90 percent of UK imports from Rhodesia. Stringent new financial controls forbid nearly all payments, including pensions and dividends, to all residents of Rhodesia. These new measures are unlikely to harm the Rhodesian economy appreciably, but they do strike directly at many white Rhodesians who are dependent on this income. London is still considering selective export controls and an oil embargo, but is not convinced other countries will cooperate enough to make these measures effective. London

also plans soon to dispatch a high-level ministerial mission to Zambia to discuss economic aid in the event of Rhodesian countermeasures.

Kaunda wants British military forces in order to allay rising fears of Rhodesian retaliation among the populace and to counteract radical African pressures for the dispatch of a military force under auspices of the Organization of African Unity. He apparently still hopes to avoid provocative action against the Smith regime and to allow British economic sanctions to take effect. However, British representatives believe that even Kaunda, hitherto the mainstay of African moderates, fully shares the conviction of Zambian militants that Rhodesia must not be permitted to retain its independence.

Zambian militants, strongly entrenched in the cabinet and the ruling political party, advocate a total trade boycott against Rhodesia, unstinting support for paramilitary action by Rhodesian African nationalists, and allowing Zambia to become a staging area for OAU military intervention, despite the risk of reprisals. Wilson has bluntly reminded Kaunda that no available alternative can possibly maintain Zambia's copper production if Rhodesia withdraws power, coal, and rail access. The militants, however, insist that a British force in Zambia will deter the Smith regime from

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economic reprisals, and that a British-US airlift and other emergency measures could somehow replace the vital economic links with Rhodesia.

Incidents of sabotage or racial friction within Zambia could at any time trigger drastic action by the Kaunda government. Last week unknown saboteurs dynamited a main power line to the Copperbelt, and a street brawl between whites and members of the Zambian Youth League in Livingstone sparked a wildcat strike by white railway workers.

The apparent UK-Zambia deadlock over troops has strengthened the radicals in the OAU who insist on the need for sending an African force to Zambia. In this atmosphere, the OAU foreign ministers--meeting in extraordinary session on 3 December in Addis Ababa--can hardly avoid coming up with a specific pro-

posal for some variety of military intervention by member states. However, most African leaders realize that their troops are no match for Rhodesia's forces and the purpose of their offer would be to increase pressure on the UK.

In Salisbury, Prime Minister Smith has said he would welcome a token British military force stationed in Zambia as a moderating influence but added that British forces would be fired on if they violated Rhodesian territory.

The reaction of Rhodesia's Africans to independence continues to be limited to apparently isolated incidents or rock throwing and a few minor explosions, mostly in the industrial city of Bulawayo. A strike called by African nationalists has been foiled by employers' threats of dismissals.

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SECRETEurope**FRANCE LAUNCHES ITS FIRST SATELLITE**

France launched its first earth satellite, the A-1, on 26 November. The vehicle weighed 88 pounds and carried little more than a radio beacon to test the space-tracking capability of French ground stations. Although intended to broadcast for two weeks, it ceased transmitting the next day. Nevertheless, the launch was a success for the French-built Diamant launch vehicle, under development for the past four years.

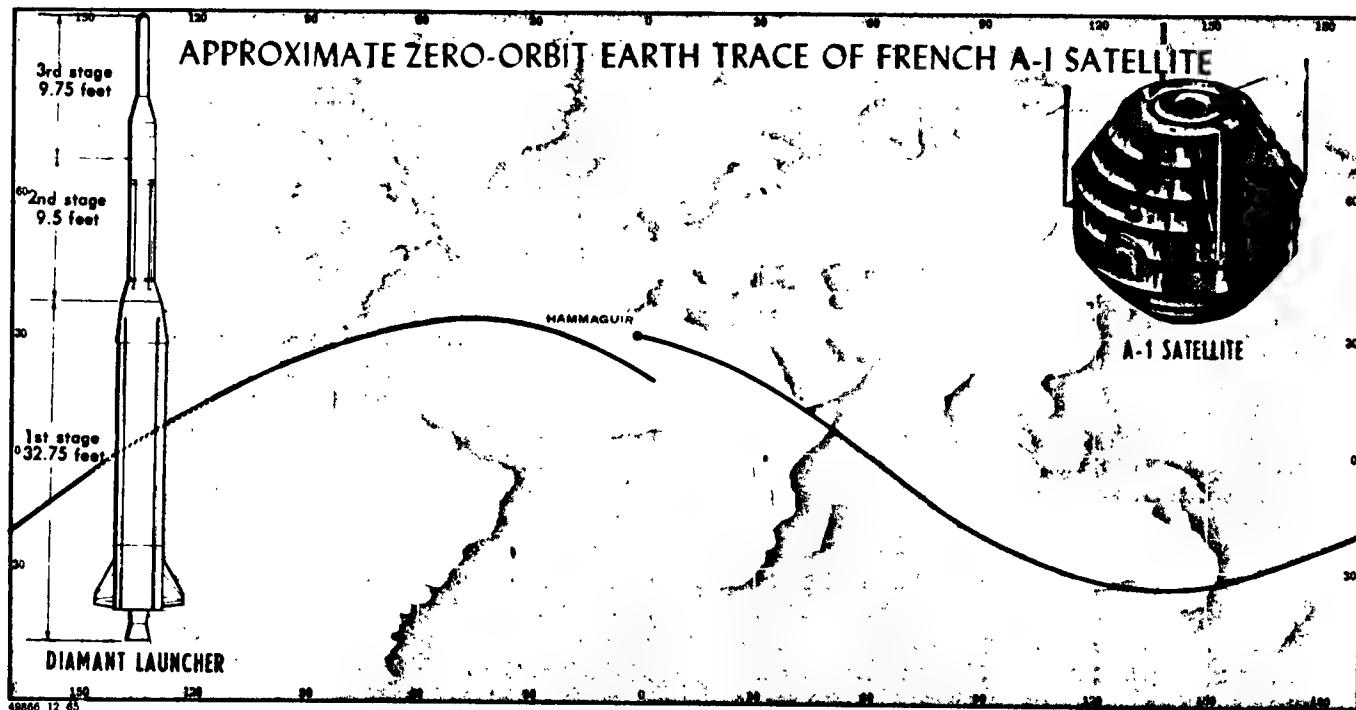
The next step in the Diamant launch program will be an attempt to orbit a more sophisticated satellite, the D-1, on 15 January 1966. Another French satellite, the FR-1, is scheduled for launch this month by a US booster from

the Western Test Range, Vandenberg, California.

French long-range goals in space are not yet defined, and the Diamant launcher's inability to orbit more than 176 pounds severely limits the scope and complexity of any immediate scientific programs. One early objective may be the orbiting of French communications relay satellites, for which a larger booster is being planned.

By edging out Japan in the race for third in space and proving the workability of the Diamant, the French success in launching the A-1 will probably soften criticism at home of the heavy cost of France's burgeoning space program.

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SECRET**FINNISH COMMUNIST PARTY UNDER PRESSURE TO LIBERALIZE**

The leadership of the Finnish Communist Party (FCP)--one of the last Stalinist holdouts of the West European parties--is under continuing pressure from liberal and intellectual elements to revamp its orthodox Marxism.

As an initial gesture to the liberals and in order to head off a showdown at the 14th party congress from 29 to 31 January, the leadership convened a special meeting of the central committee in October to consider a resolution updating the FCP's position on basic ideological issues. The need for such a step had become apparent as the liberal ferment continued unabated and the party faced the prospect of entering national elections next spring or summer divided and in disarray.

The liberals maintained that the party must declare publicly that it was abandoning violence as a means of achieving power. They apparently had been greatly influenced by the success of the "national" Communist parties in Denmark and Norway, and the popularity of the Swedish Communist Party under its new, liberal leadership.

The "manifesto" which emerged from the October meeting, however, represented little more than a gesture to the liberals. It stopped short of a clear rejection of violence, explaining that the party "believed" that it could achieve power by legal and democratic means but could not "guarantee that this will be so in real life." The resolution went

on to shelve the term "dictatorship of the proletariat" as unsuited to Finnish conditions and, instead, declared the expression "labor regime" more appropriate.

These half-hearted gestures are not likely to satisfy the liberals, who now may not accept anything less than the removal of such symbols of Stalinism as Chairman Aaltonen and Secretary General Pessi. In their efforts to secure more far-reaching reforms, the liberals are undoubtedly encouraged by the evident sympathy of some Soviet party officials who have hinted that changes in the FCP are overdue.

The congress next month may therefore produce a fight that could have an important effect on the party's fortunes in the national elections. In the 1962 elections the Communists received more than one fifth of the popular vote and won almost one fourth of the seats in parliament. A sharp electoral setback for the FCP would most directly benefit the Social Democrats and bring about a major shift on the Finnish political scene. This would have repercussions on Soviet-Finnish relations in light of Moscow's view that the Social Democratic Party continues to be influenced by anti-Soviet spokesmen. Moscow, however, has been careful to avoid outright condemnation of the party, evidently because of its optimistic election prospects

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SECRET**Western Hemisphere****PEARSON FORMING NEW CANADIAN CABINET**

Prime Minister Pearson is confident that he will be able to put through his legislative program when Canada's new parliament meets on 18 January despite the voters' failure to give him a majority government. However, Ambassador Butterworth does not share Pearson's opinion that he is in a stronger position now than before the election.

Pearson doubts that the opposition parties will be prepared to accept the responsibility of calling another general election for some time. Furthermore, he cites the promise of support from two independents and four members of the Quebec-based Social Credit Party which should permit him to win any vote of confidence.

The election cost Pearson two cabinet ministers--Agriculture Minister Hayes and Minister of Mines MacNaught. In addition, Finance Minister Gordon has resigned, and there are increasing pressures, principally from Liberals in English Canada, for ousting Postmaster General Tremblay, Minister without Portfolio Favreau, and State Secretary Lamontagne. All three have been implicated to some degree in recent scandals and are being blamed for the party's failure to appeal to the voters.

The nature of the cabinet which Pearson presents will have

a strong bearing on his relations with the House of Commons. He faces the problems of balancing political philosophies in the cabinet and at the same time satisfying his two main bastions of power--Quebec and Ontario.

Pearson is expected to announce his new cabinet when he returns from vacation on 16 December. He told Ambassador Butterworth that he must fill seven or eight senior portfolios. He intends to name Trade and Commerce Minister Mitchell Sharp to the finance post. There is general speculation that another English Canadian from Toronto, Robert Winters, will be tabbed for trade and commerce.

Quebec now supplies 55 of the 131 Liberals to the federal parliament, but Pearson may have trouble finding cabinet material among the attractive "new look" Quebec men, who are largely unproven in parliamentary and political skills. However, by ignoring French Canadian pressures for a proportionate share of the more important portfolios, he would risk alienating the Quebec wing and weakening the party's position in Quebec at a time when crucially important provincial elections are around the corner

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SECRET**BRITISH GUIANA TO BECOME INDEPENDENT NEXT MAY**

British Guiana will receive its independence on 26 May 1966. Under the name "Guyana," the new country will be a constitutional monarchy under the British Queen until at least January 1969, when the National Assembly will probably vote to change it to a republic.

At the independence conference in London from 2 to 19 November, Premier Burnham and his coalition partner, Peter D'Aguilar, were able to reach substantial agreement on constitutional provisions. Nevertheless, it is unlikely that agreements reached on paper will enable the two leaders to forget past differences and, overnight, turn themselves into a smoothly running team.

Chances appear to be declining that Cheddi Jagan, leader of the opposition People's Progressive Party (PPP), which boycotted the constitutional talks, will soon rouse his East Indian followers to effective violence against the Burnham government. Some of the PPP's key activists are in prison and others have left the party or been expelled for antiparty activity. Although riots such as those of last year cannot be ruled out, many of the East Indians now seem inclined to put violent political protest aside and get down to the more practical business of making a living.

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RESULTS OF THE OAS CONFERENCE IN RIO DE JANEIRO

At the conference of active OAS members (except Venezuela), held in Rio from 17 to 30 November, the foreign ministers approved resolutions calling for study of political and economic measures to amend the OAS charter and strengthen the inter-American system.

The resolutions, styled "Act of Rio de Janeiro," comprise guidelines for a "special preparatory committee" to meet next February in Panama. This is to draft charter amendments for consideration by another foreign

ministers' conference scheduled for July in Buenos Aires. Approved amendments would then be subject to ratification by the individual governments.

The conference produced relatively little public dissension. The only direct criticism of US intervention in the Dominican Republic was a Colombian resolution, which was side-tracked. Disagreement centered on enlarging the OAS Council's function with regard to the maintenance of peace and the peaceful settlement of disputes. The section

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of the "Act" recommending expansion was favored by a narrow majority, including the US, over the opposition of such countries as Peru, which fears this provision might be used by Ecuador to air in the OAS Council its long-standing objection to the 1942 protocol governing their boundaries. Private conversations were held on the idea of a permanent inter-American peace force, but no formal motion was presented.

The guidelines endorse the principle of an annual inter-

American conference. In the economic sphere, they recommend that the principles of the Alliance for Progress be made a juridically binding part of the OAS charter. The economic resolutions also call for greater cooperation in trade and a Latin American common market. The conference endorsed the modification of the OAS structure to include three councils directly responsible to the Inter-American Conference: Economic-Social, Cultural-Scientific, and Political. The matter of their location was left open. 25X1

GENERAL STRIKE FAILS IN PANAMA

Determined action by President Marco Robles prevented Communist and opposition elements from exploiting a 72-hour general strike which began in Panama on 23 November.

A union of public employees dissatisfied with the government's offer of a \$4.5-million wage increase in the face of their demands for raises amounting to about \$20 million, called the strike despite lack of popular sympathy. Commercial activity was nearly normal in Panama City, although roving bands of students and teachers, supporting the strike, tried to disrupt traffic and force merchants to close down. Communist leaders, searching for some means of provoking a government crisis, had directed the student groups to take to the streets.

National Guard units, using only tear gas and batons, effectively dispersed the demonstrators on 23 and 24 November, arresting over 300 in Panama City and Colon. Security forces also surrounded the University of Panama and a secondary school where relatively small bands of armed students had barricaded themselves and were hurling gasoline-filled bottles and rocks onto adjacent streets.

Officials had feared that former president Arnulfo Arias would call on his supporters to join the disorders in order to topple the government. However, Arias apparently saw that the strike was foredoomed and merely published a manifesto which supported its objectives. 25X1

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SECRET**DOMINICAN PRESIDENT'S POSITION GROWING STRONGER**

Despite agitation and plotting in the Dominican Republic by politicians on the left and right, Provisional President Garcia Godoy's position appears stronger than at any time since he took office in September.

The President's relations with his military chiefs--once a prime source of governmental instability and an impediment to the restoration of public order--have improved at least temporarily, to the relief of those Dominicans eager to set about repairing the economic dislocation caused by the recent strife. The military chiefs' support in the face of a right-wing conspiracy on 22 November did much to remove the President's doubts about their loyalty. For his part, the President finally has begun the long-promised transfer of some of the more controversial leftists to overseas posts. Former attorney general Morel Cerda was the first to go, becoming ambassador to Uruguay. The military now seem willing to give him additional time to effect other reforms they have been demanding.

Garcia Godoy is trying to make the most of his improved position. He hopes to solve the problem of military integration by taking about 420 former rebel officers and men back into the armed forces and buying off the remaining 700. He also is trying to complete the member-

ship of an electoral commission, and has set 1 June as election day.

Divisive issues remain, however, and there is no lack of Dominicans eager to exploit them. It appears likely that the "political truce"--designed to reduce tensions during the first six months of the provisional government--will be observed in name only. Joaquin Balaguer's Reformist Party (PR) already has launched its well-prepared campaign. Other parties--for the moment unable to match the PR's effort, largely because of factional disputes--are jockeying for position and alliances. Juan Bosch's tactics seem largely defensive, as he and his followers eagerly carry rumors of right-wing plotting to the President. The US Embassy speculates that Bosch is moved both by concern for his personal safety and by a desire to undermine the growing rapprochement between Garcia Godoy and the military.

Rightist extremists reportedly continue to plot terrorist activities and to talk of a coup attempt. The left, apparently concentrating for the moment on the interior of the country, is trying to take control of the labor unions--especially in the important sugar industry.

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SECRET**SIGNIFICANCE OF RAUL CASTRO'S VISIT TO USSR**

Raul Castro's recent visit to the USSR was a further step toward closer Soviet-Cuban relations. The younger Castro's visit, which began in early October, included lengthy conversations with top Soviet political and military figures, observation of the Warsaw Pact "October Storm" exercise, talks with East German and Czech officials, and seating in the place of honor at the Soviet Revolution Day ceremonies. Castro, who is both armed forces minister and deputy premier, was accompanied by Cuban party and governmental personnel as well as military officials.

Although the only formal agreement announced covered "economic and technological cooperation," a wide range of topics undoubtedly was discussed and an arrangement for continued Soviet military aid was probably worked out. An exchange of economic delegations earlier this year, leading to an agreement in September for large new aid for the Cuban sugar industry, suggests that the Castro delegation concentrated on military and political subjects.

Soviet military deliveries to Cuba have declined steadily since 1962. Five ships delivered miscellaneous military supplies this year--largely spare parts, ammunition, and maintenance equip-

ment. The last major equipment deliveries took place in 1964 when two subchasers were towed to Havana and seven other ships brought in cargo including 35 jet fighters, eight IL-14 transport aircraft, and three motor torpedo boats.

The importance Soviet leaders attach to Cuba was also highlighted by Foreign Minister Gromyko's 19-24 October visit to Havana. The USSR is evidently satisfied with the degree to which Fidel Castro has moderated his policies toward both the US and the Latin American continent.

Soviet leaders have almost certainly counseled the Cubans to adopt a more flexible approach in their relations with the US and have urged Castro to follow a more cautious policy in supporting militant, insurgent groups in Latin America. According to the UK ambassador in Havana, Gromyko emphasized the necessity for Castro to probe those areas where some limited agreements with the US might be reached. Moscow probably hopes that if Cuba continues to pursue this course, the US will find it increasingly difficult to maintain its political and economic isolation of the island.

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SECRET**FRICTION AMONG BRAZIL'S LEADERS**

A serious rift seems to be developing in Brazil between President Castello Branco and War Minister Costa e Silva, who has long been a mediating influence between the President and his critics among the military hard-liners.

Costa e Silva feels that Castello Branco and his advisers, notably Justice Minister Juracy Magalhaes, are attempting to undermine his position or even have him replaced. The war minister apparently feels there is undue interference by Magalhaes in military matters.

Costa e Silva probably is irritated by the lack of enthusiasm for his presidential ambitions within the administration. He is known to be interested in becoming the candidate of the revolution to succeed Castello Branco in the 1966 presidential election.

The reports of friction among the regime's top leaders coincide with increasingly open

criticism of the President by hard-line military officers. This attitude was highlighted this week by a public protest letter signed by hard-line leader Lieutenant Colonel Francisco Boaventura Cavalcanti, who has been placed under arrest for publishing it. The letter reflected the hard-liners' bitter resentment of Castello Branco's unwillingness to bar Governor-elect Negrao de Lima of Guanabara from taking office on 5 December. A military investigation team has recommended that Negrao de Lima's mandate be canceled and his political rights suspended on the grounds that he accepted Communist Party support during his campaign.

Castello Branco is continuing to shuffle army commands, replacing troublesome hard-liners with his supporters. The new First Army commander, for example, is General Adalberto Pereira dos Santos, who is considered a forceful disciplinarian and "non-political" officer. However, a definite break with Costa e Silva would greatly impair the administration's ability to maintain control over the military.

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